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ASEAN To Widen Participation in EU Summit

OW1903080195 Tokyo KYODO in English 0732 GMT 19 Mar 95

[FBIS Transcribed Text] Singapore, March 19 KYODO—The Association of Southeast Asian Nations (ASEAN) has agreed to ask Japan, China and South Korea to join the six-nation group in launching a proposed summit with the European Union (EU), ASEAN sources said Sunday [19 March].

The accord was reached Saturday during a meeting of senior ASEAN officials held in Singapore, the sources said. Singapore is hosting ASEAN's Secretariat.

ASEAN will propose to the EU, at a Singapore meeting of senior officials from the two sides in May, that the first summit be held in Thailand sometime between February and April next year, the sources said.

Singapore initially insisted on including Australia and New Zealand in the summit, they said.

But given the EU's reluctance to do so, ASEAN eventually agreed to limit Asian participants in the first summit to the three East Asian countries plus the six ASEAN members and to consider inviting other Asian nations later.

The ASEAN countries—Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand—plus Japan, China and South Korea are supposed to be members of the controversial East Asia Economic Caucus (EAEC).

The EAEC has yet to be launched in the face of strong opposition by the United States, which says it could constitute a protectionist trade bloc.

As for the participation of Hong Kong and Taiwan in the summit with the EU, ASEAN agreed to admit the two only if China agrees, as in the case of the Asia-Pacific Economic Cooperation (APEC) forum which has allowed the two territories to join the group along with China.

APEC currently has 18 members, including the U.S., Japan, Australia and the ASEAN nations.

ASEAN To Work With Australia, New Zealand

BK2203132195 Bangkok BANGKOK POST in English 22 Mar 95 p 23

[FBIS Transcribed Text] ASEAN has agreed to closer economic cooperation with Australia and New Zealand at the recent ASEAN Economic Officials' Meeting in Jakarta.

Business Economic Department's Director General Kroekkrai Chiraphaet, the head of the Thai delegation at the meeting, said that ASEAN, Australia and New Zealand had agreed that areas of cooperation would be defined later.

The cooperation will include the facilitation of trade, tariff rates, mutual recognition, investment facilities, investment promotion, product standards, measures on health and sanitation, the service sector, intellectual property protection and human resource development.

Furthermore, the private and public sectors from all ASEAN members nations, Australia and New Zealand will consider which area should be the priority for such cooperation, before submitting it to the next joint meeting in Phuket on April 30.

The meeting also set up a working group chaired by a representative from Indonesia, to draft the scope of cooperation on infrastructural projects within ASEAN, and to consider transportation cooperation between Asian nations.

The theme issues will involve the following areas of development within ASEAN including: multimodal transport and trade facilitation, inter-connectivity in telecommunications; harmonisation of road transport laws, rules and regulations; improving airspace management; rules and regulations for the carriage of dangerous goods and industrial wastes on land and sea; as well as encouraging the improvement of human resources in the areas of transport and communications.

Mr Kroekkrai said ASEAN officials also met Japan's Ministry of International Trades and Industries officials to discuss a seminar on AFTA [ASEAN Free Trade Area] in Japan. They have asked Japanese investors interested in six categories of ASEAN industry to join the seminar. They include: the electronic, food processing, automobile parts, textile, chemical products and metal industries.

ASEAN and Vietnamese officials also met to discuss ways through which Vietnam could become an ASEAN member.

ASEAN officials feel that Vietnam should have greater economic ties with ASEAN. However, the officials are still worried about Vietnam's trade system which involves more than 1,000 state-run agencies which still continue to restrict certain business operations.

Japan

Auto Talks Conditions Said 'Ripening'

OW2303080695 Tokyo KYODO in English 0631 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan and the United States will likely next week resume auto trade talks, part of bilateral framework negotiations, a senior Japanese official said Thursday [23 March].

Tomio Tsutsumi, vice international trade and industry minister, told a news conference, "Conditions for restarting the talks are ripening."

Tsutsumi explained that Tokyo and Washington have agreed to exclude voluntary foreign auto parts purchase plans by Japanese automakers from the scope of the bilateral framework talks, one of four conditions imposed by Japan for restarting the stalled talks.

The U.S. has also pledged not to apply the retaliatory Section 301 of the 1974 Trade Law to the auto trade talks, Tsutsumi said.

These U.S. commitments are believed to have been shown in a personal letter recently sent from U.S. Trade Representative Mickey Kantor to Japanese International Trade and Industry Minister Ryutaro Hashimoto, although Tsutsumi avoided commenting on the content of the letter.

Tsutsumi said Japan and the U.S. are working out a schedule for the auto trade talks, which he said are likely to take place in Tokyo. "The talks restarting within this week is impossible. But early next week is a high possibility."

The auto trade talks have been suspended since February as both parties were unable to bridge a gap over how to improve American access to Japan's auto repair and finished car markets.

The U.S. began a section 301 probe into the trade area last October. Some reports said Washington has moved up the section 301 deadline for auto trade with Japan to the end of April from Sept. 30.

Japan repeatedly said it will file a complaint with the world trade organization if the U.S. turns to the retaliatory step.

More on Auto Talks

OW2303122595 Tokyo NIHON KEIZAI SHIMBUN in Japanese 21 Mar 95 Morning Edition p 5

[FBIS Translated Text] The auto and auto parts negotiations under the Japan-U.S. economic framework talks has lost its direction. Although two years have passed since its start, the two nations have failed to reach a compromise, deepening the feelings of mutual distrust. As the irritated United States hinted at moving up the planned September deadline for deciding whether to impose sanctions against Japan, it is likely that the recently diminished bilateral trade friction may again intensify. Although the next meeting is set to be held in Tokyo this month, no one is certain that any progress can be made.

"Essential Element"

"The talks will not go anywhere without your plan for auto parts procurement." In meeting with Takakazu Kuriyama, Japanese ambassador to the United States, in Washington on 16 March, U.S. Trade Representative (USTR) Micky Kantor renewed his call for an increase in Japanese auto makers' plans for the purchase of U.S.-made auto parts for the FY95-97 period. A top U.S. Treasury Department official explains, "(An increase in the purchase) is an essential element in reaching an agreement."

In Tokyo, the U.S. Embassy started "direct talks" with Japanese manufacturers. Officials, mainly from the U.S. Treasury Department, scoured every company for increased procurement in their original plan.

At the vice ministerial talks held at the end of last year where both nations decided to resume the auto talks, an agreement was reached that no discussions would be held between the governments on expansion of procurement because "the issue is not under government jurisdiction." Seeing that the United States is still insisting on the procurement issue despite this fact, Japan openly displays its distrust and says, "What does it mean? We have already made an agreement," (according to a top official of the Ministry of International Trade and Industry [MITI]).

Substantial auto and auto parts negotiations started in September 1993. At first, the two nations engaged in a philosophical debate over "whether to introduce numerical targets" as part of the "objective criteria" to measure openness of Japanese markets for foreign products. "We no longer ask for numerical targets." With this comment from the United States, the issue was finally settled, and that was when the expansion of procurement became another problem. Although the case was said to be closed by the end of 1994, the situation reversed when the United States again acted up on the issue.

Thinking that "the United States is violating the agreement," Japan is taking a hard-line attitude. A top MITI official says: "We will respond to their call for talks, but we will not change our principles." The United States criticizes this stance taken by Japan. According to USTR Kantor, "Japan is not cooperative in breaking up the impasse in the talks."

Considering Earlier Application of Sanctions

While the feelings of mutual distrust build, the U.S. National Economic Council (NEC) is considering moving up the deadline for imposition of Section 301 of the U.S. Trade Act (which imposes sanctions against nations engaging in unfair trade practices) on Japan's auto replacement parts market. Speaking to Kuriyama, Kantor announced his intention to present a new proposal at the next meeting. This shows that the Clinton administration is eager to make headway in the negotiations. However, it seems to be merely a one-sided approach.

There is almost no discussion on trade issues with Japan in U.S. Congress now. As the three major U.S. automakers enjoy record profits, the auto industry and Congress have been easing pressure on the U.S. Government. When a group of supra partisan congressional members requested that Kantor move the deadline up to the end of March, those who signed their petition were mainly newcomers of the Republican Party. The Republican leadership now controlling Congress also takes a rather cool stance toward issues relating to Japan.

One Hundred Companies Attended Business Meeting

There is now a view in the U.S. auto industry that "our government is not worthy of trust," thus disregarding the governmental negotiations. In early March the industrial circles of Japan and the United States held a business meeting in the U.S. state of Indiana. It was the first meeting jointly sponsored by the rival business organs and about 150 companies from the two nations participated in it.

What is also noteworthy is that the U.S. manufacturers are developing their business strategies in Japan as well. A new office of Delco Electronics, the world's largest electronic auto parts maker and a subsidiary of General Motors (GM), was opened in a high-rise building in Shinjuku, Tokyo on 16 March. The office was transferred from GM's technology center located in Akishima city, a suburb of Tokyo, to central Tokyo as business began to expand. To further promote their sales with Japanese companies, Delco plans to increase its workers from the current 33 to 80.

On one hand, the government talks are deadlocked, and on the other, the active U.S. auto industry is expanding their business with Japan. Seeing that, a senior MITI official sighs, "For whom are we doing this negotiation?" The auto negotiations used to be a priority area under the Japan-U.S. economic framework talks. However, it appears that the meaning of the talks has vanished while the governments of the two nations have engaged in ineffectual discussion over and over again.

Murayama To Work Out 'Bold' Deregulation Plan

OW2303105795 Tokyo KYODO in English 1039 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Prime Minister Tomiichi Murayama vowed Thursday [23 March] to work out a dramatic deregulation program by the end of this month, officials said.

They said Murayama expressed his resolve in a meeting with Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai).

Murayama was quoted as saying he is studying bold measures for deregulation because "I think we won't be able to do it if we miss the chance this time."

Hayami criticized an interim deregulation plan unveiled by the government recently and said existing regulations are preventing the country's industrial development, the officials said.

Tsuruo Yamaguchi, director general of the Management and Coordination Agency, who was present at the meeting, said the government plans to take a step forward in compiling the final report.

He said the program to be released at the end of this month will mark an improvement on the interim report, comprising deregulation on nearly 1,000 items, against 740 items originally scheduled, they said.

LDP Official Says More Deregulation Needed

OW2203141795 Tokyo KYODO in English 0941 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—A top ruling coalition official Wednesday [22 March] stressed the need to deregulate the economy beyond a five-year government deregulation program to be mapped out by the end of this month.

"We, the ruling coalition, are willing to consider (further deregulation) in April and May as well," said Koichi Kato, chief policy-maker at the Liberal Democratic Party (LDP), one of the three parties making up the coalition.

Kato, speaking at the Foreign Correspondents Club of Japan, said the government should explain why regulations not included in the deregulation program could not be lifted or relaxed and give ear to opinions from pro-deregulation people.

He also pointed out that the deregulation program should be reviewed every year with a view to promoting the issue.

Touching on a controversial plan to inject public money to bail out two financially troubled credit unions, Kato said there will be cases in which public funds are needed to protect depositors.

He went on to say the issue of how to use public money to protect depositors must be discussed, noting that major banks that once were strong enough to merge bankrupt financial institutions are now losing their might.

Asked to comment on reports that former Prime Minister Noboru Takeshita is deeply involved in policy-making by Prime Minister Tomiichi Murayama, Kato acknowledged that Takeshita has a strong say within the LDP but added it is not correct to say Takeshita has a decisive say in all policies.

Entry of Foreign Capital Into Market Examined

952A0387A Tokyo FORESIGHT in Japanese Jan 95 pp 54-57

[Article by freelance journalist Hiroko Katayama]

[FBIS Translated Text] It has been a full five years since the beginning of the Japan-U.S. Structural Impediments Initiative [SII] talks. The myth of a "closed Japan" is already becoming a thing of the past. However, a new "opening up" is being forcefully demanded of the Japanese market which has lost its pull due to the recession.

Says Mark Beddingham, honorary chairman of the European Business Association comprised of EU firms that have expanded into Japan, "For the past 10 to 15 years, Japanese markets have opened up in most business categories." Of course, as one can understand from the items remaining on the agenda of the Japan-U.S. economic framework talks, there has hardly been international recognition that Japan's markets have become completely open.

However, each time I met with top management of foreign affiliates to collect material for "Japan Conquest," which was run in this publication for a year and a half beginning in May 1993, between the lines of what they said one could even sense a consensus that "the visible barriers are disappearing from the Japanese market." Since before the beginning of the Japan-U.S. SII talks in 1989, the closed nature of Japan's markets was a problem on a global scale and was not confined just to Japan. However, we appear to have entered an era in which the simplistic myth of a "closed market" no longer rings true.

Even as was seen in "Japan Conquest," there are more success stories about foreign affiliates than is generally thought, and they can be categorized into several patterns.

One such pattern is prying open Japanese markets by borrowing the power of the host nation's government, industrial groups, etc. Currently, all tobacco manufacturers besides JT [Japan Tobacco] in Japan are foreign affiliates, and since the complete opening of the market in 1987, the total share has risen to nearly 20 percent. It cannot be denied that behind the success of U.S. tobacco makers such as Philip Morris and others is the fact that the U.S. Government made the import and export of tobacco a trade issue between Japan and the United States.

In addition, when the Large-Scale Retail Stores Law was taken up in the Japan-U.S. SII talks, U.S. firms, such as discount toy chain Toys 'R' Us Japan (currently expanded to 24 stores) became an issue, and the supercomputers of Cray Japan (which has already introduced 131 units) became an item on the agenda in government procurement issues, etc. These firms seized an opportunity for achieving success through this pattern.

These firms are liable to give the impression that they unfairly muscled their way into the Japanese market, but this would not be a correct perception. On the contrary, one could assert that Japan's "barriers" were so solid that there was no other way but to employ political pressure.

Overwhelmingly numerous among the success stories are foreign affiliates that carved a firm position in Japan's markets by their own strengths in fields where there were no visible barriers.

P&G [Procter & Gamble] (U.S.), Warner Lambert (U.S.), and others launched hit products such as the feminine hygiene product "Whisper," the candy "Halls," etc., and spent many long years before making a profit.

What is common to these types of firms is not just that they have products that satisfy the consumer. Key to their success has been that they have not been reluctant to work hard to implant themselves in the market and not try to shake up and break down Japan's distribution system that is said to be representative of the so-called peculiar and closed invisible barriers.

There are also examples such as Braun Japan (Germany), which continues to enjoy the status of market leader in shavers with "Matsushita of the world" as its partner, and has enjoyed great success advancing product development centered on Japan, perceiving Japan as a foremost world market. There is even an increase in foreign affiliates that have skillfully managed in the changing Japanese market accompanying the economic slump for the past several years. The market share of Agfa-Gevaert Japan (Germany), which began selling photographic film as a private brand of Daiei in March 1944 at half the price of the products of major domestic makers such as Fuji Film and others, was barely 1 percent until last year, when it surged to as high as 5 percent in 1994. Says Representative Director Walter Stock, "In the retail business, even the Japanese market has entered a stage of total openness."

In the record industry where the resale system had become a sticking point and discounting was difficult, Tower Records (U.S.) entered the market almost without any fanfare and began opening large retail stores, triggering tumbling prices in Japan's music soft market that could be even be described as revolutionary.

The Demise of Constant Increases and the Emergence of "Losers"

However, while this situation was transpiring, a cloud also appeared in the business results of foreign firms as a whole, which heretofore had consistently enjoyed nearly constant increases. Although there are no sound statistics available, if one looks at trends in the expansion of enterprises, personnel, etc., stagnation and decline in foreign affiliates is unmistakable. Direct investment in the Japanese market by foreign affiliates, etc., both in terms of scale and number of instances has continued to decline after peaking in 1991. According to a Ministry of International Trade and Industry [MITI] executive, "Japan is becoming a market that is not as attractive as it once was."

This means that even foreign affiliates are not exceptions amid the economic slump, which is proof that they are intimately connected with Japan's markets. Even in the category of foreign affiliates, which on the whole have enjoyed continued growth until now, a great change is occurring just as it is in Japanese firms

In a nutshell, this is the manifestation of victory or defeat. Now that the Japanese market can no longer be described as a place where "once one can sell, one can sell anything," we have entered an era in which even foreign affiliates will undergo change and selection.

As has already been touched upon concerning the "winners," there are many firms that apprehend the changing Japanese market not as troublesome but as an opportunity (this is a point in common with Japanese firms that are characterized as being "healthy" in this period). And these types of foreign affiliates will possibly increase more than Japanese firms. This is a movement that likely will be to Japan's advantage in the debate concerning the closed nature of the Japanese market.

Conversely, what will become the focus is the existence of "losers." Of course, in the case of firms which only naturally should lose, for instance, it is out of the question that it should be elevated to become an issue between nations. This is because it is exceedingly natural viewed from the standpoint of market principles that those firms which cannot handle changes in Japanese market would experience difficulties and, in the worst case, be weeded out.

The problem is that foreign affiliates whose results have fallen into a slump and have withdrawn from Japan for reasons totally separate from difficulties in handling changes in the market are beginning become conspicuous. In 1994, when three foreign securities firms, including Prudential Securities (U.S.) and others pulled out of Japan, layoffs and pay cuts even extended to the foreign financial firms that remained. Even in the semiconductor-related industry, the number of firms newly entering the market from the U.S. fell appreciably to 25, down from 47 companies in 1991, so even Intel, the U.S. semiconductor maker that is building a consequential empire along with U.S. Microsoft in the global personal computer business, decided to close the semiconductor design center of the Japanese corporation Intel Japan.

Finance and semiconductors. From the latter half of the 1980's to the beginning of the 1990's, market entry in Japan was the most prosperous and in the two fields that firms making inroads were touting as having favorable business results, foreign affiliates are beginning to abandon Japan (not the other way around). It is not the case that each of these firms had made an erroneous reading of the changes in the Japanese market. The structural issue in Japan, which had become hidden in the shadows of the boom times of the epochal bubble period and was out of reach, is thwarting these industries.

The Two Obstacles That Will Once Again Materialize

One problem is the "visible barriers" that remain to this day. This fact is evident when one looks at the financial world. For instance, there are still heavy barriers between each of the business categories of banking, trusts, and securities due to regulations that include legal aspects in Japan. For European and especially U.S. financial firms that are used to an environment where deregulation has advanced and barriers between business types are lower than in Japan, these barriers are nothing more than nuisances.

Even when the stock market began to drop, foreign securities firms, mainly U.S.-affiliated ones, were boasting of unprecedented results with self-account transactions while looking askance at domestic firms whose income from commissions plummeted along with transaction volume. Be that as it may, the situation outlined above has now come to pass. According to a director at a major U.S. securities firm, "With this many regulations, our techniques are utterly useless." The thing that is currently tripping them up is not merely the declining stock prices and transaction volume; they say it is the regulations remaining in the market or the ones to be newly established that are meant to handle their "techniques." In that sense, they may be the "biggest victims," according to a U.S. bank executive, of the Finance Ministry regulations.

There are 87 foreign banks that are currently located in Japan, but their market share in Japan only amounts to a total of 2 percent. Similarly, the market share of foreign life insurance and nonlife insurance companies is less than 4 percent.

Due to financial reform since the latter half of 1980, it became relatively easy for foreign financial firms to obtain membership in the Japanese securities exchange and business permits to participate in the market. However, due to numerous regulations whose relaxation is beyond reach, growth and becoming firmly established subsequent to entry does not make progress.

Nevertheless, the greatest hindrance for the "losing" foreign affiliates is not the individual regulations that remain but the high cost of expanding their business in Japan.

In particular, the initial costs including the initial investment for expansion and the burden until the venture gets on track and profits rise are even higher in terms of personnel expenses and real estate expenses, communication expenses, etc., than Hong Kong which is said to have surpassed Tokyo and, according to an executive at U.S. Telecom, "I don't think there is any question that it is highest in the world." Although prices are falling since the domestic balance of supply and demand has eased concerning labor and real estate, from the standpoint of foreign affiliates, this is being cancelled out by the soaring price of the yen.

It seems that the greatest particular load is the burden of personnel expenses, which comprise a significant portion of fixed costs. This is naturally true for personnel hired in Japan, and it is said that the cost per person for an employee sent from the main office is the same as hiring five to ten in Japan.

In addition, pointed out by foreign affiliates as specific "high costs" are limitations in terms of raising funds which mean that "the collateral rate is high when receiving financing from a Japanese bank," "standards for listing stock are too strict," and that, "compared to the other leading industrialized nations, the level of taxation on corporate profits is high."

Incidentally, when one traces the "barriers due to still remaining regulations" enumerated by the top management of foreign affiliates to their source, the trail most frequently leads to the Ministry of Finance. Of course, viewed in specific fields, problems remain in the range of jurisdiction of various government agencies such as telecommunications (Ministry of Posts and Telecommunications), airlines (Ministry of Transport), and building materials (Ministry of Construction).

However, the range that "regulations" of the Finance Ministry extend is not only confined to influencing foreign affiliates related to individual projects such as the above-mentioned financial firms and foreign alcohol producers and trading companies which point out liquor taxes as being "unjustly high and unfair." The taxation system, accounting system, etc., which make difficult firm acquisition for the purpose of expanding projects as well as raising funds and corporate taxes are encumbrances for foreign affiliates in general regardless of the field. Could this be evidence of the strength of the Ministry of Finance that we have heard so much about especially recently?

Importance Placed on Japanese Markets Has Finally Begun To Fade

Of course, regulations on the whole are decreasing and high costs are also not an obstacle that came into being recently. Both of these are problems that were being pointed out in the 1980's when the closed nature of the Japanese market first became a major issue. The reason that this is being resurrected after almost being forgotten is that the big profits that once could be expected can no longer be obtained from the Japanese market now. Foreign affiliates and foreign firms that are considering expansion into Japan are faced with doubts that had almost never occurred in the past of "whether Japan is a market that is worthy of such spending and costs."

This is not merely about whether there will be a return that corresponds to costs. According to German economist Mr. Kenneth Curtis, "The battle in the Japanese market is akin to an economic olympics." Although there is significance in the fact of participation, the hurdles involved are extremely high. It is no wonder that there are increasing numbers of foreign affiliates which think that other Asian nations with high growth rates and low costs are more appropriate than Japan as locations to invest their limited operating resources.

Recently, major French computer software firm Business Objects, which began business with Japan through an agency, established its Asia branch in Singapore instead of Tokyo. Says CEO (chief executive officer) Mr. Denis Pea [as transliterated], "At the stage of deciding on expansion into Asia, setting up an office in Japan was out of the question due to the cost. By choosing Singapore, we were able to get by with half the investment cost in the Japanese market." For foreign affiliates and foreign firms, the "significance of being in Japan" has begun to diminish. This should be the first time this has happened since the end of the war.

We previously touched on the closing of Intel Japan's research facility; this was not due to anything like Intel Japan's market share falling or worsening business results, etc. Compaq (U.S.) which sells IBM compatible personal computers that are virtually the world standard is increasing its share in Japan while the share of NEC and Gulliver, which has a 98 series dedicated to use in the Japanese market, is falling.

This is a representative example of the fact that the "special nature of the Japanese market argument" that says another standard is necessary because of the high demands of the Japanese market" in the high-tech field and which highly praises Japanese technology and markets is in the process of collapsing. It could be said that behind Intel's decision was the judgement that the importance of producing a model to conform to Japan had declined.

The current trend is that high added value areas in which one's own country can lead should stay in one's own country and areas that are not so should be taken to the newly industrializing regions in Asia, etc., where costs are low. Therein lies the significance in foreign affiliates and foreign firms involved in semiconductors leaving Japan. From their standpoint, there is becoming less and less reason to invest what will be massive amounts of money in Japan of all places where costs are already so high.

In January, when presenting new car models, U.S. Chrysler Chairman Eaton said, "from now on Japanese cars will be learning from American cars." For U.S. automakers to sell their products in Japan, enormous investment was essential for such things as preparation of a network of dealerships, etc., but it seems to be a fact that foreign affiliates that at least can learn and reap benefits that justify the costs on top of producing a product are becoming fewer and are not limited to the fields of high-tech, finance, etc.

"Problems for Foreign Affiliates Are Problems for Japanese Firms"

There is no mistaking the fact that the closed nature of Japanese markets has significantly improved over the past ten years. President Shinichi Momose of DHL Japan (Belgium) which has top share in international delivery service says, "Nowadays saying something about 'the closed nature of Japanese markets' has become an excuse used by foreign affiliates to the parent company when things are not going well," and PR office manager Takeshi Sekiharu of BMW Japan (Germany) points out "if there are regulations in Japan, that is a problem of our (foreign affiliates) mentality."

However, due in part to the sluggish economy and strong yen, the austerity of the Japanese market is not decreasing at all. In fact, the imbalance of direct investment between Japan and Europe and the United States is increasing. For instance, investment by Japanese firms in Europe over the past eight years is 20 to 30 times the investment by European firms in Japan. The trend is that this gap will become larger still.

If the Japanese market is difficult for firms of the advanced industrialized nations of Europe and the United States, direct entry will naturally become even more severe for Asian firms. South Korea's Hyundai Motors has a track record of exporting to the industrialized nations and although it has established an office in Japan, it is still not able to export automobiles. Asian products such as textile and consumer electronics, etc., are overflowing in the Japanese market but the majority of those are either locally produced products of Japanese manufacturers or items that were imported by Japanese distribution firms and trading companies. In the future, even if Asian firms try to plan direct expansion into Japan after they have grown further, the way things are now it will be impossible for Japan to become an arena for Asian growth. The Japanese market will not only be regarded as peculiar by Europe and the United States, but by Asian firms as well.

However, the thing that requires the greatest caution is the fact that the problem of the Japanese market is, in fact, a problem not limited to foreign affiliates and foreign firms whether they are from Europe and the United States or Asia.

According to Mr. Eiji Mizutani, special adviser on consulting on expansion into Japan by foreign affiliates and management of foreign affiliates, "The Japanese market is such that even Toyota Motors has difficulty breaking into other industries. The problems experienced by foreign affiliates are the same for Japanese firms." That is to say that when Japanese firms try to start up new businesses, they run into the same obstacles faced by foreign affiliates of difficulty in entry due mainly to high costs and casualness as a market.

And those obstacles are also the root of the greatest difficulty experienced by Japanese firms—"hollowing out." As long as the decline in the significance of the Japanese market looms in the background, this time one cannot even expect external pressure to figure in the solution. The "Japanese market" has finally truly become Japan's problem.

High Court Rejects German Patent Petition

OW2303065295 Tokyo KYODO in English 0444 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—The Tokyo High Court, reversing a lower court ruling, turned down Thursday [23 March] a petition by a German automobile tire wheels maker against two Japanese firms over a patent dispute.

The petition was filed by BBS Kraftfahrzeugtechnik A.G. against Japauto Products Co., a Japanese auto parts importer, and its marketing arm Racimex Japan Corp., both based in Tokyo.

The German company claimed the Japanese firms sold its products imported at a discount rate through a parallel import system without signing a sales agency contract, thereby infringing on its patents. The company sought a court injunction ordering the Japanese firms to pay about 11.2 million yen in damages.

Presiding Judge Minoru Takeda turned down the German company's petition, saying parallel imports do not constitute a violation of patent rights in Japan. The Japanese firms were alleged to have sold about 68.9 million yen worth of BBS products in Japan between January 1990 and June 1992.

The Tokyo District Court earlier ordered the Japanese companies to pay the German maker about 4.8 million yen, equivalent to a 7 percent royalty charged on Japanese sales agencies. Japauto Products welcomed the high court ruling as natural and said Japanese sales agencies have neglected providing imported products to Japanese consumers at low prices. It said the German products could be sold in Japan at a 20-40 percent discount under the parallel import process.

Higher Fines Proposed for Copyright Violators

OW2303095995 Tokyo KYODO in English 0851 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—The Cultural Affairs Agency will prepare a bill aimed at raising penalties for copyright infringements by three to five times higher than at present, officials said Thursday [23 March].

The agency, an Education Ministry body, plans to submit a copyright law revision bill to next year's ordinary Diet session starting in late January.

The agency said the revision will be made in line with a proposal by an advisory panel.

The panel's report said the current fine of up to 1 million yen should be raised to an amount ranging from 3 million yen to 5 million yen to protect the literary copyright of musicians and authors, the officials said.

The hike is necessary because the maximum amount of the fine under the patent law was raised to 5 million yen from 500,000 yen, and the fine under the design law was raised to 3 million yen from 300,000 yen by amendments made in 1993, the report said.

Introduction of TMD System Considered

OW2203134595 Tokyo MAINICHI SHIMBUN in Japanese 17 Mar 95 Morning Edition p 3

[Sixth in the series "Cold Peace"; this installment entitled: "Choice of TMD; U.S. Shows Threat Scenario"]

[FBIS Translated Text] A "working group for the introduction of the theater missile defense (TMD)," which was formed under the Japan-U.S. Secretary-level Security Council (SSC), held its second meeting last May in Washington D.C. At the meeting, the Ballistic Missile Defense Organization (BMD) of the U.S. Department of Defense [DOD] submitted to the Japanese side a 40-page DOD internal document entitled "Japan's Choices Regarding TMD."

On the supposition of two types of missile attacks—one from "the DPRK (North Korea)" and the other from "North Korea and China"—four TMD proposals and charts are incorporated in the document.

The A proposal envisions North Korean missiles as the only threat, and the document explains a missile interception plan by combining "high-altitude interception by forward-deployed Maritime Self-Defense Forces [MSDF] and low altitude interception by ground troops." Its cost is about 790 million yen. This plan assigns two Aegis ships (and two reserve ships) to the Sea of Japan and deploys 24 Patriot missile ground units. Although this is the least- expensive proposal of the four, its weak point is that the forward-deployed missile defenses are too frail." The number of missile units are the same in the four proposals.

The B, C, and D proposals are made on the assumption that missile attacks will come from both North Korea and China. The B proposal is the most expensive one and cost about 2.75 trillion yen. It is designed to intercept missiles at high altitude in six areas and also at low altitude by deploying six Aegis ships (and six reserve ships) to the Sea of Japan and Okinawa region.

The C proposal is designed to use ground units deployed in the six areas to intercept missiles at high and low altitudes. It would cost about 1.48 trillion yen. Under this proposal, six ground antiaircraft artillery units equipped with theater high-altitude area defense (THAAD) interceptors will be deployed. Since the proposal calls for no forward deployment of Aegis ships in the Sea of Japan, the report notes that "although it causes only small irritation in neighboring countries, it lacks flexibility in terms of operation."

In the D proposal, the ground units would intercept low-altitude missiles, while the MSDF and ground units assigned to forward and flank areas would perform high-altitude interception. Its cost is about 1.52 trillion yen. This proposal calls for deployment of five ground-based THAAD units and two Aegis ships (and two reserve ships) in the Sea of Japan and Okinawa region. The documents says that this is "the most effective method."

It is said that the TMD is "the last military business opportunity for this century." Therefore, American industrial circles and the U.S. Government are very enthusiastic about the TMD.

When he met with a senior Defense Agency [DA] official, former Deputy Under Secretary of Defense Ford, who came to Japan on 10 March, said with excitement: "Relations with the U.S. military industry and Congress will suffer if no progress is made in introducing the TMD." Walter Slocombe, assistant secretary of defense, strongly appealed to Taku Yamazaki, former DA secretary general who visited the United States in November of last year, for help, saying: "We want Japan to participate in the TMD."

The Japanese Government earmarked 20 million yen for TMD study and research. Publicly, DA Director General Tokuichiro Tamazawa stressed that no decision had been made on introduction of the TMD, saying: "The 20 million yen will be contributed to our effort to make policy decisions."

There was a stir between Japan and the United States over the DOD report on the TMD, disclosed on 6 March, saying: "Japan and the United States are jointly studying the possibility of developing (the TMD), as well as the choices aimed at acquiring capabilities for the future." Japan filed a protest against the United States, saying: "It gives the impression that Japan has already committed itself to the TMD."

Some DA officials hold a positive view, saying: "We must have something to counter the threats." But some others are saying that "We simply cannot spend several trillion yen on something that is not effective." However, the Ministry of Foreign Affairs [MOFA]—in a document entitled "The Japan-U.S. Security System" which was issued on 21 February for internal use only—explained its willingness to introduce the TMD, saying: "It is an important task in terms of the smooth and effective application of the security system." Japan's choice regarding its participation in the TMD is still a delicate issue.

Now that the strategic defense initiative (SDI), popularly called "star wars," has been brought to a standstill, the American military industries and the U.S. Government are devoting themselves to the pursuit of the TMD. How far is Japan going to commit itself under the Japan-U.S. security system?

Resumption of Air Talks With U.S. Sought

OW2303115395 Tokyo KYODO in English 0938 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan has appealed to the United States for an early resumption of civil aviation talks suspended since August 1993 due to a dispute over the right to fly on to third countries, Transport Ministry officials said Thursday [23 March].

The officials said the request was made in a letter delivered to the U.S. Government the same day.

Washington took no action to resume the working-level negotiations, originally scheduled for mid-March, apparently because U.S. airlines remained divided over the issue, the officials said.

They said they are still uncertain when the negotiations will be reopened.

The talks were deadlocked over Japan's demand that the existing aviation treaty be revised so that Japanese airlines are granted equal rights to fly beyond the U.S., they said.

Japan told the U.S. late last year that it will not allow U.S. airlines to open new routes via Japan until a new pact is signed, they said.

Tokyo Postponing Decision on Loan to Iran

OW2303131795 Tokyo KYODO in English 1240 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan will put off "by two to three months" a decision on whether to disburse the second installment of official credit to Iran, a senior Foreign Ministry official said Thursday [23 March].

The official, speaking on condition of anonymity, said, "Although we cannot postpone a decision indefinitely, it would be acceptable if we put off the decision by two to three months."

Japan decided to continue its wait-and-see attitude for the time being as it feared such a disbursement would draw a backlash from the United States in view of a recent U.S. decision to block a lucrative offshore oil development deal with Iran, ministry sources said.

On March 15, the administration of President Bill Clinton ordered the U.S. oil giant Conoco Inc. to cancel its 1 billion dollar agreement to develop offshore oil fields in the southern Gulf.

It charged that Iran sponsors terrorism, seeks to procure nuclear weapons and is blocking the U.S.-sponsored Israeli-Arab Middle East peace process.

The postponement is a reversal of the recent Japanese Government readiness to reach a speedy decision on the matter, especially since verbal assurances have been given by Iranian President 'Ali Akbar Hashemi-Rafsanjani that Iran has never sponsored terrorist activities.

The assurances were given to a special Japanese emissary Nobuo Matsunaga, Japan's former ambassador to Washington, whom Tokyo dispatched to Iran earlier this month.

However, the Japanese Government decided to postpone the final decision because of the serious stance taken by the U.S. Government in its decision to order the cancellation of the Iranian oil deal, they said.

At a meeting of senior Japanese officials Monday, the proponents and opponents of the proposed Japanese Government loan to Iran could not reconcile their differences, the sources said.

Japan resumed Official Development Assistance to Iran in May 1993, thawing an 18-year freeze on such lending to that country.

In line with this policy, it provided 38.6 billion yen in credit to Tehran as a first installment for Iran's hydroelectric power project on the Karun River.

The second installment, if disbursed, would represent an even larger credit of 45 billion yen.

The decision on the second portion was initially scheduled to be made last summer but was postponed due to the U.S. Government's appeal to Tokyo to scrap the financing deal.

High Yen's Effect on Economy Concerns Saito

OW2303113295 Tokyo KYODO in English 0910 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Vice Finance Minister Jiro Saito on Thursday [23 March] expressed concern about the yen's sharp appreciation, saying the current dollar-yen rate is having a damaging effect on the Japanese economy.

Saito told reporters Japan is keeping in close contact with other countries to cope with the currency situation but admitted the monetary authorities are not making an appropriate response to meet the requirements.

He said he is worried about the dollar's free fall in addition to the yen's rise and added he is awaiting further developments.

Igarashi on Aid to Small Firms Hit by High Yen

OW2203133495 Tokyo KYODO in English 1131 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Cabinet ministers in charge of economic affairs agreed

Wednesday [22 March] to a set of measures to help alleviate export-oriented small Japanese companies struggling under the yen's renewed surge against the dollar, the top government spokesman said.

"The ministers agreed they will maximize efforts to tackle the strong yen," Chief Cabinet Secretary Kozo Igarashi told a news conference.

Igarashi and the four ministers—Finance Minister Masayoshi Takemura, International Trade and Industry Minister Ryutaro Hashimoto, Foreign Minister Yohei Kono and Economic Planning Agency Chief Masahiko Komura—hurriedly gathered at Prime Minister Tomiichi Murayama's official residence Wednesday afternoon.

The meeting was convened one day after the dollar tumbled to yet another global postwar low of 88.35 yen in New York.

"We share the view that the current yen-dollar exchange rates deviate from the actual economic trend in Japan," Igarashi said.

The new economic package includes extension of two economic steps beyond the March-end expiration—one to lend operating funds for struggling small firms and the other to offer emergency loans to help them overcome the strong yen, Igarashi said.

He also said the ministers agreed to introduce subsidies for small companies forced to make employment adjustments due to the latest rises in the yen.

Details of these steps, in particular the date the economic aid will finish, will be discussed by each ministry and agency concerned, Igarashi said.

Igarashi said Wednesday's meeting was held in line with the findings of a survey recently conducted by the Ministry of International Trade and Industry (MITI) to evaluate the effect of the strong yen on small companies.

MITI Chief Hashimoto pointed to the severity of the effects that the current yen-dollar levels would have on export-oriented companies, according to Igarashi.

Hashimoto was quoted as saying that not a single company polled said it is possible to break even at the current exchange rates.

The average break-even point among the firms was 110 yen to the dollar, Hashimoto was quoted as saying.

Igarashi quoted Hashimoto as saying that about 25 percent of the companies feel they cannot find effective ways of dealing with the recent yen rises.

The survey was conducted immediately after the dollar sank below 90 yen for the first time March 7.

At an informal cabinet meeting in the morning, Hashimoto said, "We should not let the current situation stay as it is," indirectly calling for stronger steps by monetary authorities to check the strong yen.

Hashimoto brushed off the common macroeconomic argument that the yen's up trend cannot be reversed unless Japan's chronic current- account surplus is cut substantially.

"I understand the macroeconomic argument. But we should not ignore the outcry of small firms," he said.

EPA Chief Komura was more explicit in calling for new steps.

At the informal meeting, Komura urged monetary authorities to ease their grip further, requesting the Bank of Japan's official discount rate be cut from 1.75 percent, already an all-time low.

Komura was quoted as saying monetary authorities should not "lose the initiative" in making effective use of the "free hand" given them.

Takemura pointed to the possibility of the government formulating new fiscal steps to cope with the strong yen.

"There is a possibility that fiscal steps will be studied as one option against the strong yen," Takemura told reporters after attending the emergency meeting.

Takemura said the current yen rises are dealing a "crucial" blow to export-oriented firms, thus definitely affecting Japan's economic growth in the future.

Takemura said Japan will continue coordinated market intervention with other major countries to stem further yen rises.

But he said Japan's compiling of independent economic measures would be effective in eventually arresting the yen's rise.

Takemura avoided giving details of the fiscal measures.

He stressed the need for Japan to "devise its own policy that incorporates economic, fiscal and financial factors."

Tokyo Plans Fiscal Steps To Boost Economy

OW2303091995 Tokyo KYODO in English 0849 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—The government will take necessary fiscal measures to lift the slightly recovering Japanese economy and counter the yen's precipitous gain and plunging stock prices, the government's top spokesman said Thursday [23 March].

"We should make fiscal efforts to accelerate an economic recovery," Chief Cabinet Secretary Kozo Igarashi said at a news conference, commenting on the government's action to stem the yen's further rise against the U.S. dollar and the stock market tumble.

He said all the government is trying to do is boosting the overall economy instead of propping up the U.S. currency and giving a shot in the arm to the stock market.

On the yen's advance to record high levels, Igarashi said the government feels the current exchange rate does not reflect economic fundamentals.

He also rejected criticism of the government for its ineptness in dealing with the yen's sharp appreciation and falling stock prices.

As a key fiscal measure, Igarashi said, the government will strive to submit a supplementary budget for fiscal 1995 to the Diet during its current session, which finishes in mid-June.

Toyoo Gyoten Chosen To Head UN Committee

OW2303063495 Tokyo KYODO in English 0456 GMT 23 Mar 95

[FBIS Transcribed Text] New York, March 22 KYODO—Bank of Tokyo Chairman Toyoo Gyoten has been chosen to head a committee overseeing the contributions member states make to the United Nations, an official at the Japanese mission to the UN said Wednesday [22 March].

The UN General Assembly decided on the establishment of the 25-member state working committee. Amid dissatisfaction in many countries over the share of UN funding they have to pay, the committee will report to the assembly on how to review UN contributions to make them more equitable. Its first meeting was held Tuesday and it is due to release a report by May 15.

On Wednesday, Gyoten said the issue of contributions to the UN is an important one to Japan. He said political factors have intervened in the decision-making process over the contributions and that he wants to encourage objective debate on the matter.

MOFA Protests Russian Violation of Air Space

OW2303115095 Tokyo KYODO in English 0940 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan sharply protested Thursday [23 March] over a Russian military aircraft's intrusion into Japanese air space off Hokkaido earlier in the day, the Ministry of Foreign Affairs [MOFA] said.

A MIG-31 interceptor was sighted overflying the northern part of the island of Rebun, some 50 kilometers west of the northern tip of Hokkaido in the Sea of Japan, twice around 10 A.M. and 10:30 A.M., [0100 and 0130 GMT] Defense Agency officials said.

Four Japanese F-15 fighters from the Air Self-Defense Force's Chitose Base immediately took off to warn the Russian aircraft, but the MIG-31 ignored the warnings, the agency said.

Summoning Russian Embassy Counselor Mikhail Galuzin to the Ministry, Kuninori Matsuda, deputy director of the ministry's Russia Division, expressed Tokyo's "extreme dismay" at the incident and "strongly urged" that such incidents do not recur, the Foreign Ministry said.

Galuzin took note of Japan's complaints and pledged to report them to Moscow, the officials said.

It is the first time that a MIG-31 has violated Japanese air space. Defense Agency officials said the aircraft might be involved in large-scale Russian maneuvers currently under way in the Sea of Japan.

Murayama, Kuchma Support Extension of NPT

OW2303124495 Tokyo KYODO in English 1219 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan and Ukraine agreed to support the indefinite extension of the nuclear Nonproliferation Treaty (NPT) which comes up for renewal this year, a joint statement released Thursday [23 March] said.

The statement, issued after a meeting between Ukrainian President Leonid Kuchma and Japanese Prime Minister Tomiichi Murayama, also said Kuchma voiced support for Japan's bid to become a permanent member of the UN Security Council.

Murayama and Kuchma, who is in Japan on a four-day visit since Wednesday, expressed support for the unlimited extension of the NPT during the talks and called on all states possessing nuclear weapons to pursue their efforts for nuclear disarmament, the statement said.

Murayama welcomed Ukraine's accession to the treaty as an important step toward the attainment of international peace and stability, it said.

Ukraine, one of the four former Soviet republics that inherited more than 1,000 nuclear warheads when the Soviet Union collapsed in 1991, formally renounced nuclear arms and joined the NPT as a nonnuclear state last December.

The 1970 treaty commits nonnuclear countries never to acquire or produce atomic arms but permits the existing nuclear powers—Britain, China, France, Russia and the United States—to possess them.

Talks on the review of the 25-year-old treaty are to begin April 17 in New York.

Murayama and Kuchma also agreed to cooperate in seeking a solution to various problems involving the elimination of Ukraine's nuclear weapons based on a bilateral agreement signed in March 1994.

Japan pledged 100 million dollars in 1993 to help the four former republics—Russia, Kazakhstan, Belarus and Ukraine—dismantle their nuclear weapons.

Touching on the 1986 Chernobyl nuclear disaster, the two leaders agreed on the need to further cooperate in dealing with the serious effects of the accident, while Murayama pledged continued humanitarian assistance to Ukraine in the medical field, the statement said.

Both sides also affirmed that it is a "task of global importance" to prevent such disasters from recurring and to work for the restructuring of Ukraine's energy sector, it said.

Ukraine, citing financial difficulties, has not closed down the Chernobyl plant despite calls from Japan and other industrial countries.

Referring to the reform of the United Nations, Murayama and Kuchma agreed that in expanding the UN Security Council, it is important to maintain the effectiveness of the Council's functions and take into account equitable geographical distribution, the statement said.

On Ukraine's economic reforms, the Japanese and Ukrainian leaders agreed that the introduction of a market economy is the best way to achieve prosperity in Ukraine.

Kuchma, who came to power last July, said he is determined to accomplish privatization on a large scale and to continue to introduce a full market economy, the statement said.

Murayama, praising the start of full-scale economic reforms in Ukraine and underlining the importance of the steady implementation of reforms, pledged Japanese support for Ukraine's efforts both on a bilateral and international basis through such means as providing technical assistance, it said.

The Japanese side expressed its intention to take concrete steps in financial assistance to Ukraine, it said.

On Friday, Kuchma will visit Kyoto, western Japan, which is the sister city of the Ukrainian capital, Kiev, and leave Japan on Saturday after visiting Nagoya, central Japan.

PRC Urged To Improve Tax, Trade Systems

OW2303102695 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Mar 95 Morning Edition p 5

[FBIS Translated Text] At the 24 March regular Japanese-Chinese subcabinet-level talks, the Ministry of International Trade and Industry [MITI] plans to ask Chinese officials to improve their tax and trade systems because the existing systems are hindering the business activities of Japanese firms which have advanced into China. In addition, MITI plans to ask China to clarify details about its voluntary export restriction plan regarding textile products, which the latter reportedly began implementing last January.

In their meeting, Japanese and Chinese officials plan to exchange opinions regarding the current state of trade relations between the two countries and about various trade-related issues. With regard to the Chinese tax system, Japanese officials plan to table the issue of value-added tax refunds. Because China has reversed its position after initially promising to return value-added taxes to foreign-affiliated firms, Japan plans to ask that such taxes be promptly refunded to Japanese firms.

Regarding the Chinese trade system, Japan plans to ask China to make improvements to its export quota bidding system pertaining to the export of cement. Under the existing system, firms seeking to export cement from China must obtain their portion of the export quota through successful bidding. Over 20 items of trade are subject to this system, which China abruptly introduced in 1994. Among Japanese firms, those dealing with cement are affected the most by the system. Japanese firms are seeking abolishment of the system, claiming that it leads to higher export prices.

Late last November, China announced plans to voluntarily restrict exports of towels, cotton yarn, and a dozen other textile products. However, the details of the Chinese voluntary export restriction plan are not clear, and it is not certain as to whether China is actually putting the plan into practice. Therefore, Japan intends to confirm the enforcement of the Chinese plan, including such matters as the extent to which export restrictions are being carried out with regard to each relevant item.

Firms Favor Expansion Into Southeast Asia

OW2303122495 Tokyo KYODO in English 0931 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—The Japan External Trade Organization (JETRO) said Thursday [23 March] that 56 percent of Japanese manufacturers in Southeast Asia responding to a survey intend to upgrade or expand their operations in reaction to the yen's appreciation.

Releasing the findings of its survey, JETRO said 38 percent of those responding know of their parent company's plan to shift more production to Southeast Asia from Japan or other countries.

The survey was conducted last November and December on 2,100 Japanese manufacturers operating in Thailand, Malaysia, the Philippines, Indonesia and Singapore. JETRO received replies from 931 of them, a response rate of 44.3 percent.

Of the companies replying that their parent firms plan a greater shift in production to Southeast Asia, 47 percent named Malaysia as a plant site and 43 percent mentioned the Philippines, JETRO said.

In addition, Indonesia was named by 41 percent, Singapore by 32 percent and Thailand by 29 percent, the semigovernmental organization said.

Japanese companies' production shift to Southeast Asia is expected to continue, JETRO added.

Tokyo To Extend Aid to Developing Nations

PRC: 852 Million Yen

OW2303061295 Tokyo KYODO in English 0503 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan will give China a grant-in-aid of 852 million yen to cooperate in two projects aimed at improving a medical center in Tibet and promote immunization, the Foreign Ministry said Thursday.

Japanese and Chinese Government officials exchanged notes on the aid in Beijing earlier in the day, the ministry said. Of the aid, 709 million yen will help China finance the purchase of medical equipment for the Tibet tuberculosis Control Center.

Another 143 million yen will go for a project to purchase equipment, such as refrigerators and freezers, for eight provinces in China to improve immunization against such diseases as polio, tuberculosis and diphtheria.

Pakistan: 974 Million Yen

OW2203104295 Tokyo KYODO in English 0851 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Japan will extend Pakistan a grant-in-aid of up to 974 million yen to cooperate in a project to upgrade equipment at a university,. the Foreign Ministry said Wednesday [22 March].

Japanese Ambassador to Pakistan Takao Kawakami and Aftab Ahmad Khan [spelling of name as received], secretary to Pakistan's Ministry of Finance and Economic Affairs, exchanged notes on the Japanese aid in Islamabad earlier in the day.

The Japanese aid is to finance Pakistan's project to upgrade audiovisual equipment at the Institute of Educational Technology of Allam Iqbal Open University, the ministry said.

Haiti: 500 Million Yen

OW2303015895 Tokyo KYODO in English 0130 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Japan will give Haiti 500 million yen in grant-in-aid to help the country improve its economic structure and ease its economic difficulties, the Foreign Ministry said Thursday [23 March].

Japanese and Haitian government officials exchanged notes on the aid in Port au Prince on Wednesday, the ministry said.

The aid is part of the 10 million dollars in emergency aid to Haiti which Japan pledged in January, it said.

Peru: 2 Billion Yen

OW2203050495 Tokyo KYODO in English 0202 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Japan will extend Peru 2 billion yen in grant-in-aid to help the Latin American country improve its economic structure and ease its economic difficulties, the Foreign Ministry said Wednesday.

Japanese and Peruvian Government officials exchanged notes on the Japanese aid in Lima on Tuesday. The Japanese aid is aimed at supporting Peru's economy, and this is an important time for democratization to take root in the country ahead of the presidential elections in April, the ministry said.

MITI To Study Industrial Competitiveness

OW2303110395 Tokyo KYODO in English 1020 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—The Ministry of International Trade and Industry [MITI] said Thursday [23 March] it will study ways to boost the international competitiveness of Japanese industry, which has increasingly shifted its production base overseas due to the strong yen.

Ministry officials said a study group will be inaugurated in April to engage in the work as a private advisory panel to the head of the ministry's Machinery and Information Industries Bureau.

The officials said the ministry is concerned that the recent appreciation of the Japanese currency may cause deindustrialization, curtailing the competitive power of the manufacturing industry.

The new group will also study ways to strengthen industrial foundations by promoting division of labor between Japan and Asian countries, they said.

The study will focus on the strengthening of Japan's four main export industries—automobiles, computers, machinery and home electric appliances.

The group will also consider other major issues, including ways to bring down land prices, strengthening management foundations and technological development, they said.

The 15-member group led by Joichi Aoi, chairman of Toshiba Corp., will come up with a report toward the end of this fall.

* New Government Policymaking System Advocated

952A0393A Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Jan 95 p 18

[By Masaaki Homma, Osaka University professor]

[FBIS Translated Text] *1. Deficiencies in the Japanese policymaking system became apparent during the recent tax system reform process. Dealing with the mounting issues we face as we approach the 21st century makes a fundamental reform in the policymaking system indispensable.*

2. Specifically, some of the actions necessary will probably include improvements in the policy formulation capabilities of the respective political parties, establishment of an integrated government coordinating agency, and stimulation of Diet deliberations by the ruling and opposition parties.

3. Concurrently, there is a need for the urgent establishment of an information-disclosure system. We must promote a conversion from a "relative-type" system of the past which was based on internal lobbying efforts to a "general-type" system open to the public.

Restoration of Politics Is an Urgent Issue

A situation persists in which we must be ever vigilant about the political scene covering such developments as instability in the ruling coalition comprised of the Liberal Democratic Party [LDP], Social Democratic Party [SDPJ], and Sakigake [Harbinger] Party; future developments in the New Frontier Party [NFP], and the possibility of a unified front by the democratic liberal forces of the New Democratic League [Shin Minshu Rengo]. There is no doubt that 1995 will be the year in which the curtain will be lifted to the "age of a full-scale political reorganization."

Now that we are at a point where we must visualize the 21st century in our policy decisions, the role that politics must play has been enhanced significantly. Issues on which politics must suggest doctrine and policy, exercise leadership, and bring to reality are numerous—including deregulation, administrative reform, new concepts of the tax and welfare systems, implementation of government decentralization, and the status of international contributions.

However, political restructuring up to this point has not gone beyond the scope of realigning numbers and has given birth to a situation in which the policymaking process is enigmatic to the public. Avoidance of such a situation will call for an indispensable reform of our nation's policymaking system.

In the following text, we will review the current policymaking system as it applies to deliberations on the tax reform issue. Needless to say, these discussions could also apply to other policy issues that are currently being debated.

At the end of last year, the Murayama coalition government gained Diet approval of a "two-stage" tax system reform calling for a 5.5 trillion yen income and resident tax reduction followed two years later by a hike in consumption tax to the 5-percent level. This tax reform was passed by the Diet with hardly any substantive deliberations, because of prior political bargaining among the ruling and opposition parties. Moreover the contents of the tax reform represent an incomplete package because of the consequence of political compromises made within the coalition government and the turmoil associated with the "people's welfare tax" concept under the former coalition government.

Circumstances of that nature have not been limited to the recent tax legislation. Tax reform in Japan in the past has reflected such circumstances to some degree. The main cause is that our nation does not enjoy a stable policymaking mechanism based on a competitive interparty policymaking system.

To begin with, has there ever been a political party that surveyed the public on whether they preferred "big government" or "small government" in connection with tax reform? Further, we have never had a political party that clarified itself in terms of whether, in connection with the burden of government, it was taking a neoconservative stance emphasizing vitality or a liberal stance stressing an egalitarian society. Moreover, there has never been any political party that compiled and presented an alternate tax-system reform package.

When we consider such circumstances, we realize that a reform in policymaking will first require the restoration of politics itself. There is a need for each party to clarify its political philosophy and policy doctrine, suggest its independent policy package to the public, and take a competitive stance on policy matters.

Needless to say, when we speak of restoration of politics, we are not talking about the zoku [groups of Diet members who exercise in a particular field policymaking expertise and contacts generally acquired through service as chairman or vice chairman of the appropriate party policy deliberation committee] Diet members of each party personally engaging in the preparation of tax reform packages. If such an approach were taken, it would obviously become a situation in which Diet members would degenerate into "legislative agents" of industry and we would be faced with reform packages of a "patchwork" nature.

Reflect "Vertical"-Type Deficiencies

Under the new election system where changes in administration become more probable, even opposition parties should always establish a "shadow cabinet" and prepare to take over government affairs. Opposition parties must maintain think tanks or use existing think tanks for the purpose of enhancing policy formulation capabilities and offer the public options by preparing independent coordinated reform packages compatible with their own political philosophy and policy doctrine.

The early establishment of an "information disclosure law" is indispensable in realizing the fruits of such a competitive environment for policy matters. The current absence of an information disclosure system has created a significantly asymmetrical situation concerning information between government insiders and outsiders and between ruling and opposition parties.

Such asymmetry of information is not limited to the obstruction of equitable competition in policy matters. There is the danger that the custodian of information can guide public opinion in a biassed manner by arbitrarily controlling the disclosure of information or merely take a passive stance relative to his privileged position and allow policy formulation capabilities to decay.

The second issue relative to reform of the policymaking process concerns the revival of the policy formation mechanism within government. There is a need to clarify the division of responsibilities among the current ruling party, administration, and councils, inclusive of functional specifications. The Japanese Government policy formulation process involves, as is well known, the assumption of initiative by each ministry and agency over policy decisions, while conducting hearings through councils to obtain the views of public representatives and coordinating proposed policies with concerned Diet members of the ruling party (formerly zoku and currently project teams).

Under the foregoing process, probable passage of the proposed policy legislation is high because lobbying among interested parties has already been completed during the policy-formulation stage. In the past, endorsement within the administration often meant that proposed policies would become law with very few Diet amendments.

However, this policymaking system involved many disadvantages to offset the high probability of Diet passage. First, the system faithfully reflected the deficiencies of "vertical"-type government and the complete absence of integrated coordination.

In conceptualizing tax-system reform, factors which become important bases for decisions include the principal elements of senior citizen livelihoods such as the future shape of pensions and nursing and attendant increases in future taxes and social security premiums. However, not only was the new Pension Reform Law, which increases insurance premiums and the age for initiating benefits and reduces benefits, passed without coordination with the Tax-System Reform Law, but a proposal has been made to establish public nursing insurance after passage of the Tax-System Reform Law.

Such a disjointed, lackadaisical style of policymaking cannot escape criticism that in the end the aging of society was used as an excuse for passage of tax-system reform calling for higher taxes. Moreover, vertical-type policymaking runs a high risk of leading to inefficient, "inflated government."

Another disadvantage of the policymaking system is that it does not provide for a forum for building a coordinated tax structure which considers visions and doctrines of tax-system reform. Even with regard to the respected Tax Commission, its members come from diverse backgrounds and one cannot eliminate the feeling that they are assemblage of nonprofessionals with vested interests.

Necessity for Public Opinion Feedback

In the sense that representatives of the various strata of the public have endorsed a proposed policy in the councils, such action can be construed as having provided for coordination of interests and objective authority. However, because of the assemblage of nonprofessionals, the system does not necessarily function adequately in terms of analyzing tax-system reform, comprehensively assessing its effect, and persuading the public of the benefits of proposed legislation.

Further, there is the disadvantage that it is unclear who is preparing reports, because organization and management of policy are handled by the bureaucracy. This is why the councils are frequently criticized as "fronts" for the bureaucracy.

Implementation of tax-system reform in foreign countries is often preceded by a theoretical study and a detailed report on the basic issues of tax systems from a professional perspective. As an example, a typical case was the "Treasury Department report" prepared by an ad hoc committee composed of 15 economists and 15 attorneys to handle tax-system reform in the Reagan administration. This "Treasury Department draft" was modified into a presidential plan, a House of Representative plan, and a Senate plan, but its essence was preserved and served as the motivation for ensuring the success of the Reagan tax-system reform.

Overcoming the limitations of our nation's "vertical-type interest coordination protocol" will require calls for the establishment of a task force within the government that will enable integrated deliberations. This is necessary because, although our nation's bureaucracy is generally highly capable, it is inadequate in terms of theoretical and statistical analytical capabilities and the processing of massive quantities of data for the purpose of creating persuasive, systematic tax-system reform packages.

A task force plan prepared with the cooperation of professionals and bureaucrats should serve as the starting point and the next step should call for the Tax Commission to conduct hearings with the public to prepare a Tax Commission plan. Next, the ruling party should give maximum respect to the Tax Commission plan, negotiate an intragovernment approval of the plan, and prepare a final government plan.

Premises are that the deliberations of the Tax Commission and negotiation of internal ruling party approval of the plan will be open to the public. The reason is that public disclosure of commission deliberations is the most effective method of ensuring the elimination of lobbyist-type amendments based on industry pressure groups.

The third issue facing the reform of policymaking systems consists of stimulating Diet deliberations. If opposition parties should prepare as countermeasures "shadow cabinets" as previously suggested, differences with government proposals can be clarified. If compromise is reached as a result of Diet debate, amendments can be made to provide for Diet passage.

Even if compromise and legislation fails, the public can clearly understand the reasons for the differences and express themselves during the next election.

Necessary for a sound expression of the public will under parliamentary democracy are preparations for thorough policy formulation and the guarantee of a public opinion feedback mechanism. There is a need to shift from Japanese-style "relative-type" policymaking systems that are strongly influenced by residual lobbying systems, to "generalized-type" systems which are premised on public disclosure of information and deliberations.

There are many issues to be resolved as we approach the 21st century, and we do not have much time left to cope with such issues. The Japanese-style policymaking system is being challenged as one of the final issues of postwar democracy.

Debate on 'Antiwar Resolution' Continues

Saito Urges Prudence

OW2103133895 Tokyo ASAHI SHIMBUN in Japanese 21 Mar 95 Morning Edition p 7

[FBIS Translated Text] Touching on the fact that moves in some quarters against the proposed Diet antiwar resolution have sparked criticism from South Korea, Administrative Vice Foreign Minister Kunihiko Saito said at a 20 March news conference: "The Foreign Ministry strongly hopes that arguments in the Diet should not damage Japan's relations with other countries." Thus, he called for prudence in dealing with the antiwar resolution issue.

Saito added: "The Diet is responsible for deciding whether or not an antiwar resolution should be adopted. The administration should not poke its nose into this matter. We are not in the position to make definitive statements about this issue." In this way, he indicated that he was concerned about the issue in his role as foreign affairs vice minister.

SDPJ Draws Up Outline

OW2103135795 Tokyo YOMIURI SHIMBUN in Japanese 17 Mar 95 Morning Edition p 2

[FBIS Translated Text] The outline of a "War Renunciation Resolution" [fusen ketsugi], drafted by the Social Democratic Party of Japan [SDPJ], was revealed on 16 March. The party hopes to have the resolution passed by the Diet in commemoration of the 50th anniversary of the end of World War II. Based on past Diet resolutions and addresses and remarks made by prime ministers in the Diet, the draft proposes Japan to declare it has done "soul- searching" and offers an "apology" about its past.

The SDPJ says it wants the three ruling parties to work on the final draft of the resolution, using its draft as basis, but some members of the Liberal Democratic Party [LDP] members insist the resolution should contain a "Resolution Advocating Peace" and strongly object to using such expressions as "apology." It is likely that the adjustment of views will not be easy.

The outline was drawn up by the party's Special Committee on Post-War 50-Year Issue. The contents to be included in the resolution are made up of three parts—covering "the present," "the past," and "the future." In the part on "the past," the draft says: "Japan has done soul-searching on such historical facts as its past acts of aggression and colonial rule, and offers a deep-felt apology to war victims at home and abroad."

The committee thinks there should be no problem in including in the resolution expressions such as "soul searching" and "apology" in light of remarks made by past prime ministers referring to the Pacific War. In September 1986, then Prime Minister Nakasone remarked, "The acts of aggression (in the Sino-Japanese War) cannot be denied"; in May 1990, then Prime Minister Kaifu said, "That is how I view it" (meaning that it was a war of aggression); and there have been similar remarks made by Japanese representatives in summit meetings between Japan and South Korea and between Japan and China.

In the overall context, the draft gives more emphasis to "the future" rather than to "the past."

On "the present," it stresses efforts to abide by the spirit of the peace Constitution, assuring civilian control of the military, limiting military operations to those of defense purposes only, not adopting a conscription system, banning overseas dispatch of Self Defense Forces, not exercising collective defense rights, adhering to three nonnuclear principles, and not possessing weapons of mass destruction such as nuclear, chemical and biological arms. In the area of "the future," the draft outline emphasizes the importance of respecting the ideals of the Constitution, renewing the resolve not to get into another war, and reaffirming the final goal of a world without arms.

SDPJ, Sakigake To Cooperate

OW2203142895 Tokyo KYODO in English 1336 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—The Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] and New Party Sakigake [Harbinger], two partners in the tripartite ruling coalition, confirmed Wednesday [22 March] to make efforts during the Diet current session to realize a proposed resolution to renounce war, officials of the two parties said.

Senior members of the two parties, including SDP Secretary General Wataru Kubo and Finance Minister Masayoshi Takemura, who heads Sakigake, met at a Tokyo hotel to discuss cooperation between the two parties.

They agreed in the meeting that the resolution should be adopted soon, participants said.

The ruling coalition, which also includes the Liberal Democratic Party (LDP), is split over a plan to include some expression of apology to Asian countries invaded by Japan during World War II in the resolution and to declare that Japan will not wage war again.

The ruling parties agreed in June last year to pass a war-renouncing resolution to commemorate the 50th anniversary of the war's end this year.

The SDP and Sakigake, an LDP splinter, agreed in the Wednesday meeting that the wording in the resolution should follow what was agreed among the coalition parties at that time, which said the resolution will "reflect upon the past war and express a decision to seek peace in the future," to avoid further disputes.

A growing number of conservative LDP members oppose a resolution apologizing for the wartime aggression, and their opposition has already sparked criticism from neighboring nations such as South Korea.

Murayama on Shelving Declaration With DPRK

OW2303075995 Tokyo KYODO in English 0530 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Prime Minister Tomiichi Murayama voiced support Thursday [23 March] for the ruling coalition parties' decision to "virtually" shelve a 1990 declaration among Japanese and North Korean political parties, which had blocked a Pyongyang visit by a coalition team.

"That's good," the premier told reporters at his official residence, referring to the three coalition parties' agreement Wednesday to seek a new document with North Korea's ruling party when the coalition sends a delegation to Pyongyang.

Murayama made the remark a day after senior coalition officials basically agreed to send a three-day mission beginning next Monday to the communist state in an effort to help restart stalled normalization talks.

The officials also confirmed the need to seek a "four-party agreement" in Pyongyang, leaving up in the air the handling of the 1990 document released by the Liberal Democratic Party, the Japan Socialist Party (now known as the Social Democratic Party or SDP) and North Korea's Workers Party of Korea.

The 1990 declaration called on Japan to pay compensation to North Korea for its 1910-1945 colonial rule over the Korean peninsula and "postwar damages."

The current coalition parties—the LDP, the SDP and New Party Sakigake—are expected to formally decide Thursday on the dispatch of a joint mission to North Korea.

Meanwhile, Chief Cabinet Secretary Kozo Igarashi saw the coalition's plan to send a mission to North Korea as a favorable development.

"The government welcomes it because the move may clear the way for normalization of relations between Japan and North Korea," he said at a news conference.

Watanabe To Lead Coalition Mission to DPRK

OW2303140095 Tokyo KYODO in English 1326 GMT 23 Mar 95

[FBIS Transcribed Excerpt] Tokyo, March 23 KYODO—The secretaries general of the three ruling coalition parties decided Thursday [23 March] to send a joint delegation to North Korea on March 28-31 to discuss ways to resume talks on the normalization of ties between Tokyo and Pyongyang.

The mission will be led by Liberal Democratic Party (LDP) Legislator and Former Foreign Minister Michio Watanabe, coalition party sources said.

The decision to entrust the formal leadership to Watanabe was made in talks between LDP Secretary General Yoshiro Mori, his Social Democratic Party (SDP) [Social Democratic Party of Japan—SDPJ] counterpart Wataru Kubo and Yukio Hatoyama from New Party Sakigake [Harbinger].

The timing of the trip takes into account the fact that the United States and North Korea will hold another round of talks on the implementation of the Oct. 21 nuclear accord from March 25 in Berlin, the sources said.

The green light for the North Korea mission came after weeks of wrangling among the coalition parties over a 1990 declaration among the Workers Party of (North) Korea, the SDP and the LDP. [passage omitted]

Public, Private Sectors Rate Murayama Cabinet

OW2303130195 Tokyo SANKEI SHIMBUN in Japanese 20 Mar 95 Morning Edition p 1

[FBIS Translated Text] The Murayama cabinet is faced with a host of policy tasks such as administrative reform, the reconstruction of areas hit by the Great Hanshin Earthquake, and the issue of establishing the Tokyo Joint Bank. On 19 March SANKEI SHIMBUN compiled the results of a poll of junior officials with government ministries and agencies deeply involved in policy decisions in the public sector, and with major enterprises in the private sector. The outcome of the poll found the approval rating of the Murayama cabinet by the officials in the public sector to be 62 percent, whereas the approval rating of the Murayama cabinet by officials in the private sector was 24 percent, showing a large gap between the two sectors. Asked about a possible resignation by the prime minister, 34 percent of the public sector officials and 48 percent of the private sector officials said, "The prime minister should decide whether or not to resign on the basis of the results of upcoming upper house elections," and more than 70 percent of those surveyed in both sectors "demanded a dissolution of the House of Representatives within this year." Asked about the use of public funds to establish the Tokyo Joint Bank, 60 percent of those in the public sector and 80 percent of those in the private sector rejected establishing the bank in this manner.

SANKEI SHIMBUN surveyed 50 officials of the division-chief rank in government ministries and agencies, and 50 of their cohort in major enterprises in Tokyo. Thirty-one officials (or 62 percent) with government ministries and agencies said, "We support the Murayama cabinet," while only 12 officials (24 percent) with the major enterprises said "We support the Murayama cabinet," showing the Murayama cabinet's unpopularity in the private sector.

It has been pointed out that Prime Minister Murayama should resign to take political responsibility for his failure to deal promptly deal with the Great Hanshin Earthquake. Only a small number of the surveyed demanded his resignation immediately after the FY95 budget is enacted in the Diet. Forty-four percent of those in the public sector said the prime minister should make a judgment on his resignation on the basis of the results of unified local elections and upper house elections, while 60 percent of those in the private sector echoed their view. Fifty percent of the officials with ministries and agencies said "The prime minister need not resign for the time being." Asked about the timing of dissolving the House of Representatives and holding general elections, 38 percent of the officials with ministries and agencies, and 28 percent of those with major enterprises, demanded an "early dissolution of the House of Representatives." Forty percent of the officials with ministries and agencies, and 48 percent of those with major enterprises, demanded the dissolution of the House of Representatives "after this fall." Only 20 percent of all the officials surveyed said "The prime minister should resign after next year or serve out his term."

Asked about the desirable formation of a coalition government, 40 percent of all the officials polled said, "It is desirable that the Liberal Democratic Party [LDP], the Social Democratic Party of Japan [SDPJ] and the New Frontier Party [NFP] split to form a new coalition government." Twelve percent of the officials with government ministries and agencies rated the current coalition government formed by the LDP, the SDPJ, and Sakigake [Harbinger Party] as desirable, whereas only 12 percent of the officials with major enterprises rated it desirable. Twenty-two percent of the officials with government ministries and agencies saw a "conservative coalition government formed by the LDP and the NFP as desirable."

Nineteen officials with government ministries and agencies and 23 officials with major enterprises said that "measures to cope with business problems arising from the appreciated yen and to stimulate the economy should be at the top of the Murayama cabinet's agenda." All the officials surveyed also pointed out that high on the agenda of the Murayama cabinet is administrative reform, including the relaxation of regulations, the reconstruction of areas hit by the Great Hanshin Earthquake, and political reform.

Asked about using public funds to establish the Tokyo Joint Bank to rescue the insolvent Tokyo Kyowa Credit Association and Anzen Credit Bank, 58 percent of the officials with government ministries and agencies said, "No public funds should be used to rescue them, " while 40 percent of them said "It is inevitable to use public funds to rescue them." On the other hand, 76 percent of the officials with major enterprises said, "No public funds should be used to rescue them."

Asked about how the Murayama cabinet should deal with business problems arising from the appreciated yen, 17 officials with government ministries and agencies and 34 executives with major enterprises said, "The Murayama cabinet should sweepingly relax regulations, and this will lead to the reduction of Japan's surplus." All the officials surveyed also said, "The official discount rate should be lowered and Japan should make coordinated intervention in currency markets in close contact with other major industrial nations."

Yamaguchi of New Frontier Party Leaves Party

OW2203142295 Tokyo KYODO in English 1158 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 22 KYODO—Toshio Yamaguchi, former deputy secretary general of Shinshinto (New Frontier Party), said Wednesday [22 March] he is leaving the largest opposition party.

Speaking at a news conference, Yamaguchi cited press reports that companies run by his relatives received suspicious loans from two financially troubled credit unions at the center of a financial scandal as the reason for the secession.

Such press reports forced him to resign as deputy secretary general of the party last month. They later turned out to be true with the presentation of lists of major borrowers from the credit unions to the Diet.

"This is an affair which could discredit my colleague lawmakers," Yamaguchi said, apparently referring to possible negative impact of his relatives' involvement in such loans on unified local elections next month.

Yamaguchi said he gave a letter announcing his withdrawal from the party to Shinshinto Secretary General Ichiro Ozawa and that the letter was accepted.

Ozawa told a separate news conference after receiving the letter that he does not believe Yamaguchi has committed any wrongdoing.

Asked to comment on the fact that the former president of one of the two troubled credit unions purchased fund-raising party tickets for Nakanishi for 60 million yen in the late 1980s, Ozawa suggested his party will not take up the issue.

"It's an issue which is different from Yamaguchi's," Ozawa said in reference to Nakanishi's cozy ties with Harunori Takahashi, former president of Tokyo Kyowa Credit Association.

Tokyo Kyowa, together with Anzen Credit Bank, is subject to a controversial bailout plan written by the central bank, which has come under fire for aiming to inject public money to rescue the credit unions.

There has been speculation that some politicians might have influenced the bailout plan.

Unified Election Campaigns Begin Nationwide

OW2303044095 Tokyo KYODO in English 0309 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Campaigns for the elections of 13 of Japan's 47 prefectural governors got under way Thursday [23 March] ahead of the April 9 polls viewed as the first test of Prime Minister Tomiichi Murayama's 9-month-old coalition government.

The gubernatorial election campaigns herald a series of unified local elections in April which, as the first nationwide elections since sweeping political realignment began in the summer of 1993, are likely to determine the course of national politics, political analysts say.

Coalition and opposition leaders started on the campaign trail with appeals to support the candidates their parties back.

Murayama urged Tokyo voters to support a candidate who they feel would enable them to live peacefully, referring to Monday's bizarre attacks with a deadly gas on subway commuters in the capital that killed at least 10 people and injured thousands.

"World powers no longer wage war today but there is every concern that anything can happen around us in everyday life," Murayama said.

"It is our people-friendly politics that allow everybody, both old and young, to help one another live a peaceful and friendly life."

"(The elections) have great significance in that the people will choose either the status quo or reform," said former Prime Minister Toshiki Kaifu, who now heads the main opposition Shinshinto (New Frontier Party).

Kaifu spoke in Tsu, Mie Prefecture, western Japan, while Murayama and other coalition leaders joined a rally in Tokyo calling for support for their candidate in Tokyo's gubernatorial election, former Deputy Chief Cabinet Secretary Nobuo Ishihara.

Ishihara, a former government spokesman, and seven other candidates are competing for the Tokyo post that has been held by Shunichi Suzuki for 16 years.

In the elections for Iwate, Akita and Mie prefectures, the Liberal Democratic Party (LDP), dominant coalition partner, is clashing head-on with Shinshinto, effectively making the polls a direct contest between the two parties in each ballot.

In Hokkaido, however, candidates are fighting within a different framework from national politics, with a candidate backed by two of the coalition partners—the LDP and New Party Sakigake—pitted against one supported by Murayama's Social Democratic Party (SDP) and Shinshinto.

In seven other prefectures—Kanagawa, Fukui, Osaka, Tottori, Fukuoka, Saga and Oita—major parties, apart from the Japanese Communist Party (JCP), are backing the same independent candidate in each prefecture, making it certain that each of these candidates will win.

In seven of the 13 prefectures, the incumbent governors, including Tokyo's Suzuki, will retire.

Among the other candidates running in the Tokyo election are Tetsundo Iwakuni, former businessman and mayor of Izumo in Shimane Prefecture, and Kenichi Ohmae, a politically active economist.

The others are Yukio Aoshima, a former television dramatist who quit as a member of the House of Councilors to run in the Tokyo polls, Saburo Kuroki, a former Waseda University professor backed by the JCP, and Tetsu Ueda, a former member of the House of Representatives, who has left the SDP.

Ishihara, backed by a wide range of parties in addition to the LDP and the SDP, is widely viewed as having the leading edge in the election.

Supporters for each candidate believe some 1.7 to 2 million votes will guarantee victory, given that only about half of the capital's nine million eligible voters are expected to cast their ballots April 9.

Among Ishihara's competitors, Iwakuni is widely viewed as having a better chance of beating him with support from some members of Shinshinto, which has decided to let its members choose freely which candidate to back.

On Sunday, campaigns will also begin for a mayoral election April 9 in Sapporo, the capital of the northernmost main island of Hokkaido.

On March 31, candidates for 10 other major city assemblies and and 43 prefectural assemblies will also begin campaigning for the vote April 9.

In addition, campaigns for the posts of mayors and for seats on the assemblies of smaller cities will start April 16, and races for town and village heads plus town and village assembly seats will begin April 18, both aiming at April 23 elections.

Four Diet Members To Run

OW2303063695 Tokyo KYODO in English 0547 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Four members from the two houses of the Diet quit Thursday [23 March] as they filed candidacy in gubernatorial elections in Tokyo, Osaka, Akita and Mie Prefectures.

Yukio Aoshima, a former television personality who belonged to the Niin Club parliamentary bloc in the House of Councillors, ran for the Tokyo governorship. Upper house member Isamu Yamada, known as comedian Knock Yokoyama, who was an independent lawmaker elected from the Osaka Prefectural constituency, challenged in the Osaka election.

As Aoshima was elected through a proportional representation system, his post will be automatically taken by Toshiaki Yamada, a 57-year-old lawyer ranked on Niin Club's representation list. A by-election to pick a successor for Isamu Yamada will not be held because his remaining term is less than six months.

House of Representatives members Takao Sato and Masayasu Kitagawa, both from the largest opposition party Shinshinto (New Frontier Party), ran for the Akita and Saitama governorships respectively.

Election campaigns for 13 of Japan's 47 prefectural governors, including Tokyo, Osaka, Akita and Mie, kicked off Thursday ahead of the April 9 polls.

* Diet Members Moving Among Parties Listed

952B0083A Tokyo SEIKAI ORAI in Japanese Jan 95 pp 100-101

[Article by Yoshiaki Sato: "Politicians Hopping Among Different Political Parties Are Like Lucky Adventurers in the Age of Civil Wars"]

[FBIS Translated Text] A new party called the "New Frontier Party" [NFP] was finally formed by the former leading coalition parties. This is a "birth of a major political party through a merger" for the first time since 1955 when both the Liberal Democratic Party [LDP] and the Social Democratic Party of Japan [SDPJ] were formed through mergers, signaling a new age of conflict in the political world between the leading and the opposition parties.

A look at the list of executives of the new party gives us a feeling that there are some common denominators. Takeo Nishioka, Toshio Yamaguchi, Koji Kakizawa, Satsuki Eda, and Kunio Hatoyama—all these individuals are strongmen who have hopped around among several political parties, rather than staying with one party.

Of course, the NFP brought in such long-running political parties as the Komeito and the Japan Democratic Socialist Party [DSP], and also has many first-year Dietmen from the Japan New Party [JNP]. But, the existence of those old-time strongmen gives us a different image—those politicians, who have been friend and foe in the past and are quite resilient, are now joining hands with each other in this brave new world.

It might be too discourteous to call them "migratory Dietmen," but as the lifetime employment system is gradually crumbling today, it seems to be a trend in the political world also to "leave one's original party and form a new party." Those politicians who hop around among different parties are like lucky adventurers during the age of civil wars. It is not too much of an overstatement to say that topnotch politicians today all have experience of leaving their original party affiliations.

The title of this column is now changed to "Interesting Data on the Political World," and this first installment spotlights these strongmen who have gone through a series of battles.

First of all, there are many individuals from the Shinjiyu [New Liberal] Club. Takeo Nishioka is a "man who left the LDP twice." The first time was when he became dissatisfied with the party's handling of the Lockheed scandal and submitted a letter of resignation. His second time was when he lost confidence in Yohei Kono's executive division because it lacked enthusiasm toward the bill on political reform. During his days at the Shinjiyu Club, Nishioka was in conflict with Yohei Kono on the issue of the party line; he gave up his post as the party's secretary general without any regret and became a lone wolf.

When he returned to the LDP, he was appointed as one of the party's three top executives during the Kaifu cabinet. But, when the Miyazawa faction requested a reshuffle, Nishioka left his faction without hesitation. When he left the party for the first time, he was with the Miki faction, a faction of the party president. Therefore, Nishioka's letters of resignation were all like "no-confidence votes on his bosses." He wrote a pile of resignation letters—this is probably because he is a man of justice and integrity.

Compared to Nishioka, who hurls an ultra-fast ball, Toshio Yamaguchi is a soft pitcher. He also "left the LDP twice." But, when he did for the second time, he smiled and said, "Now, I have failed twice." In comparison to the way Nishioka left the party, Yamaguchi neither showed any seriousness nor had any entanglement in terms of his relationship with people. As he didn't fight for his political beliefs either, the reason for his leaving the party remains a mystery.

Yamaguchi still maintains his contact with his former boss, Mitchy [Michio] Watanabe. He used to say, "I will not shave until the Kaifu cabinet is dissolved." But, even though he is now in the same party with Kaifu again, he looks unconcerned. Befitting his nickname, "Ushiwakamaru of the political world," he hops around in the political world—probably he has a special sense of smell. He has now completely become a close associate of Ichiro Ozawa's.

Koji Kakizawa, who "left" the Shinjiyu Club once and the LDP once, is a bit more hard-boiled. The reason for his leaving the Shinjiyu Club was his opposition to formation of a unified group with the United Social Democratic Party [USDP] by Yohei Kono, who had a strong tendency to go for the middle of the road. It also looked as if he turned his back on the party, whose influence was dwindling. Hie departure from the LDP also seemed as if he were fed up with his boss, Michio Watanabe, who couldn't make up his mind.

As Kakizawa was appointed minister of foreign affairs 10 days after he left the party, he was greeted by boos and hisses, with a tinge of jealousy, from LDP members, who said, "He did that to get the post," and "He is a traitor." He was a minister acting like an advertising tower, saying to LDP members, "If you join us, you can get good posts." But, because of his extreme shrewdness, he in fact has many enemies.

Former Prime Minister Morihiro Hosokawa Is an "Irregular Type" Who Changed His Voting District for Each Election

What's interesting is the former Prime Minister Morihiro Hosokawa. Although he has belonged to only three parties—the LDP, the JNP, and now the NFP—he is an irregular migrating bird; he changed his voting district every time he ran for election. When he was elected for the first time in the "national constituency for the House of Councilors," he grandly received 620,000 votes.

But, the second time he ran for election for the House of Councilors, he changed his voting district to the "Kumamoto local district." He resigned before his reelection campaign, and ran for "governor of Kumamoto Prefecture." He resigned again after two terms, and reentered the national political arena after he formed the JNP, running for election in the "parallel district for the House of Councilors." Again, he resigned after one year, and he changed his voting district to the "First District in Kumamoto Prefecture for the House of Representatives." In fact, he remained in the same voting district only twice, both of which were gubernatorial election. As he was when he gave up on his power over the [national] government, he must be a type of person who gets bored easily. We don't know for sure where he is flying to next.

Satsuki Eda has spent his time as a Dietman almost exclusively with the USDP. But, the number of groups within the Diet he belonged to might be considered as quite record-breaking.

Reflecting the USDP's history of bitter struggles, Eta changed his partnerships at a dizzying speed, from the SDPJ to the Shimpoto [Progressive Party] and back to the SDPJ. We confirmed up to 13 groups he belonged to, but there could be more.

All this can be understandable as part of tactics for a small party to survive in the Diet. But, considering his recent movement from dissolution of the USDP to becoming a deputy representative of the JNP, Eta should not be considered lightly. As he is a master of the "Shinden-ryu," an old-style swimming technique, some people think that he is also good at swimming in the political world.

Of course, there are more "migratory birds" than those mentioned above. Those who haven't left the LDP but changed factions can also be considered as a kind of migratory birds. Masumi Ezaki started out as a member of Kozen Hirokawa's faction, and changed his affiliation from the Ono faction to the Fujiyama faction, the Mitsuzuka faction, the Tanaka faction, and finally to the Nikaido group. As he was able to establish a respectable position at each of these factions, he is commendable.

There are some politicians who have shown their existence by moving around in the political world like Kenjiro Kinoshita, a prewar politician, about whom people used to say, "Whenever a new party is formed, there always is Ki-no-Ken [Kinoshita Kenjiro]."

Some people say that politicians tend to be swayed by a smell of power, but that's not all. When the tempo of the times gets quicker, politicians with quick action tend to reflect the changes in public opinion.

In any event, many of these politicians have marked individuality. In the current political world that is considered as a world of salaried employees, the existence of these active lone wolves is quite refreshing. We should pay considerable attention to whether the new party with many "migratory birds" will be able to exercise its power.

Migratory Dietmen in the Political World
Groups in italics are Diet parliamentary groups

Takeo Nishioka	LDP (Miki faction) to Shinjiyu Club to Independent to *Conservative Reform Council [Hoshu Satsushin Kaigi]* to LDP (no faction) to (Miyazawa faction) to *Kaikaku-no-kai [Reform Group]* to *Kaikaku [Renovation]* to NFP
Toshio Yamaguchi	LDP (Ishida faction) to (Miki faction) to Shinjiyu Club to LDP (Nakasone faction to Watanabe faction) to Independent to *Kaikaku* to NFP
Yohei Kono	LDP (Nakasone faction) to Shinjiyu Club to LDP (Miyazawa faction)
Koji Kakizawa	Shinjiyu Club (House of Councilors) to (House of Representatives) to Independent to LDP (Nakasone faction to Watanabe faction) to Liberal Party to *Kaikaku* to NFP
Kunio Hatoyama	Independent *Mutoho Club* to LDP (no faction) to (Tanaka faction to Takeshita faction to Obuchi faction) to Independent to *Kaikaku-no-kai* to *Kaikaku* to NFP
Satsuki Eda	United Democratic People's Party (House of Councilors) to USDP (House of Councilors to House of Representatives) to JNP to NFP *Mutoho Club* to *USDP* to *House of Councilors Club* to *Shinsei Club* to *Shinjiyu Club Minshu Rengo* to *USDP* to *SDPJ Pro-Constitution Faction [Goken Kyodo]* to *Progressive Democracy League [Shimpo Minshu Rengo]* to *SDPJ Pro-Constitution Democracy League [Goken Minshu Rengo]* to *Sakigake and JNP* to *Kaikaku* to *Kaishin* to *Kaikaku*
Morihiro Hosokawa	LDP (National Constituency for the House of Councilors, Independent) to (Tanaka faction) to (House of Councilors from Kumamoto Prefecture District) to governor of Kumamoto Prefecture (to Independent) to JNP (House of Councilors from the Parallel District to House of Representatives) to *Kaikaku* to NFP

Table of Diet Strength Following Resignations

OW2303083795 Tokyo KYODO in English 0557 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—The following is a table of parliamentary strength in both houses of the Diet following the resignations Thursday [23 March] of four members:

House of Representatives			
House of Councillors			
Ruling coalition			
LDP-Liberal League	209	LDP	93
SDP	69	SDP	65
New Party Sakigake	21		
Opposition			
Shinshinto	174	Heisei Kai	49
JCP	15	Shin Ryokufu Kai	13
New Democratic Club	3	JCP	11
Shinto-Goken Liberal	5		
Niin Club	4		
Independents	13	Independents	9
Vacancies	7	Vacancies	3
Total	511		252

Police Investigate Cult Role in Sarin Case

Sarin Material Confiscated

OW2203163395 Tokyo KYODO in English 1621 GMT 22 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Investigators have discovered and confiscated several materials for production of toxic nerve gas sarin following a massive raid Wednesday [22 March] against cult group Aum Shinrikyo, police sources said Thursday.

Sarin, the highly poisonous nerve gas developed by Nazi Germany, is blamed for Monday's gas attack against Tokyo's subway system that killed 10 people and injured over 5,000 others.

Sarin is also blamed for a mysterious poisoning case involving seven deaths last June in Matsumoto, Nagano Prefecture, in central Japan.

Police found the sarin materials at Aum Shinrikyo's facilities in the village of Kamikuishiki, Yamanashi Prefecture, at the foot of Mt. Fuji, the sources said.

Among the chemicals found were isopropyl alcohol and sodium fluoride, which are said to be necessary to produce sarin, they said.

On Monday, the metropolitan police department sent nearly 2,500 police troops, some clad in gas masks and chemical warfare gear, and raided 25 facilities of Aum Shinrikyo, saying it was an operation connected with the abduction of a brother of one of the cult's followers.

Meanwhile, police have also seized about 600 drums at a warehouse in Kofu, the capital of Yamanashi Prefecture, and sent them to a police facility in Tokyo's western suburb of Tachikawa, police sources said. The capacity of each drum is 200 liters.

These drums were owned by the Aum Shinrikyo organization, the sources said. The contents are not known.

Member's Car Searched

OW2303053995 Tokyo KYODO in English 0438 GMT 23 Mar 95

[FBIS Transcribed Text] Tokyo, March 23 KYODO—Police found a gas mask and liquid chemicals in the car of a member of the Aum Shinrikyo religious cult Thursday [23 March] morning after they arrested him in Shiga Prefecture, western Japan, for running a red light.

Police, meanwhile, are considering questioning the cult's leader, Shoko Asahara, 40, on suspicion of preparing for mass murder, following the seizure of substances able to make the nerve gas sarin at a sect facility, police sources said.

The ground Self-Defense Force dispatched some 20 officers to the site in Shiga Prefecture at the request of local authorities to deal with the chemicals.

Police cordoned off the site and evacuated some 80 local residents.

An electric lead, a duralumin case and a cardboard box were also found in the car, investigators said.

The man identified himself as Katsuhiko Kobayashi, 26, from Shizuoka Prefecture, central Japan, police said.

Around 6:50 A.M., a police officer saw the gas mask in the car parked along a highway in Azuchi, Shiga Prefecture. When the officer tried to question the man, he drove off, ignoring a red light.

The car is registered in Yamanashi Prefecture, central Japan, in the name of Aum Shinrikyo, police said.

Meanwhile, some 1,100 police officers Thursday resumed a search of two Aum Shinrikyo facilities at the village of Kamikuishiki, Yamanashi Prefecture, at the foot of Mt. Fuji.

Investigators launched massive raids on the cult the previous day and confiscated materials for production of the nerve gas sarin from the Kamikuishiki facility.

Sarin, a highly poisonous nerve gas developed by Nazi Germany, was used in Monday's attack on Tokyo's subway system in which 10 people were killed and more than 5,000 injured.

Sarin was also used in a mysterious poisoning case in which seven people died last June in Matsumoto, Nagano Prefecture, central Japan. Traces of similar poison were found near the Aum Shinrikyo facility in Kamikuishiki last July.

Among the chemicals found in Wednesday's raid were isopropyl alcohol and sodium fluoride, which are said to be necessary to produce sarin, police said. [Tokyo NHK General Television Network in Japanese at 0300 GMT on 23 March in a similar report adds: "The police have confiscated a large amount of several kinds of chemical materials, including a phosphorus compound, so far."]

Investigators suspect it is possible to produce sarin at the cult's facilities, police sources said.

Police said the raid, which took place two days after the Tokyo subway attack, was carried out in connection with the abduction of a brother of one of the cult's followers. The man, Kiyoshi Kariya, 68, who was kidnapped Feb. 28 in Tokyo, was not found during the operation.

Police have confirmed that no poisonous or dangerous materials were among the items found in the Aum member's car seized in Shiga Prefecture, police officials said.

They searched the car at a GSDF [Ground Self-Defense Force] site after a gas mask and liquid chemicals were found in it.

Among the items found in the car, what first appeared to be a gas mask turned out to be a pair of goggles and a suspicious-looking duralumin case was actually an air purifier containing active carbon, police said.

Cult Leader Addresses Followers

OW2303063095 Moscow Radio Aum Shinrikyo in Japanese 1500 GMT 22 Mar 95

[Remarks by Shoko Asahara, Aum Shinrikyo leader, broadcast to "my followers"; live or recorded]

[FBIS Summary] [First portion of remarks unmonitorable] "If you should make the wrong choice, you will completely forfeit the reason for your existence in this human society. In this life, you have been corrupted by information and through your own instincts. However, your true nature will never be corrupted, for you are the pupils of my former existence and you possess souls which are essentially different from others, in that you have been born to help with salvation. I am waiting for you to serve as my hands, my feet, my head, and help with my salvation project. Let us proceed with this salvation project, and die without any regrets." [Music break]

Asahara discusses Soka Gakkai, Japan's biggest Buddhist sect, saying that Aum Shinrikyo can grow into an organization as large as that group, and comments on Japan's news media in a critical tone. He then goes on to criticize Japan's police regarding their recent investigation of facilities owned by Aum Shinrikyo. "What I feel from this high-handed investigation is that there are two kinds of policemen. One kind is very courteous, taking all necessary steps as [words indistinct] of the government. At the same time, there are the others, who are mostly from the public security department. They do not hesitate to mobilize riot police, and they shut people out [of their own property]."

"Our facilities have patients undergoing therapy and treatment. The police carry them out, saying they are [word indistinct] and in a coma. Then the news agencies publicize this. This is the way they do things. A typical example of this is the reports which claim to have found some sarin solution at Seventh Satian [as heard]. [passage indistinct] There were some news organizations which did not issue such reports, but there were some which did, and by doing so [words indistinct]. The public would believe in the story that some sarin solution of the kind used in the recent subway poisoning case has been found [in Aum Shinrikyo facilities]. [passage indistinct] The police announcement has made no mention of it, and we have never had such things confiscated by the police. That is because there was no such thing with which to begin."

Discussing a police raid of an Aum Shinrikyo compound, Asahara says: "With the police raid as a starting point, the suppression of Aum Shinrikyo will progressively weaken because it will be clear that Aum Shinrikyo is a group of people who are peaceful and seriously consider [word indistinct]." He then notes: "Of course, in a sense, Aum Shinrikyo might have become much too sensitive to the attitude of police and the mass media so far. But those problems should be solved gradually, and in 1995, [word indistinct] of Aum Shinrikyo will be far greater than what we are expecting." He then discusses the value of his teaching, explaining the dogma of Aum Shinrikyo, adding that the teachings of Aum Sinrikyo will eventually be carried out by those listening to his message.

Asahara discusses the subject of the police confiscating Aum Shinrikyo's possessions. "One of the items confiscated was potassium cyanide. People who do not have any knowledge about this substance may think this is a very terrifying chemical. This is [words indistinct]. But those who are knowledgeable about chemistry will immediately know this is just an ordinary finishing substance that is used in gold- and silver-plating." In a largely unmonitorable passage, he discusses the uses of potassium cyanide. He says the substance has been in use for about 1,700 years.

Next, he criticizes police for arresting some Aum Shinrikyo members for the alleged abduction and confinement of former members, claiming the arrests were made illegally. He says: "I am very curious how many Japanese will realize the technical trick" that police used in coming up with their story of alleged criminal activity.

Asahara stresses that no human being—including police officers, journalists, and Aum Shinrikyo members—can avoid death. He notes: "Religious teaching lies beyond death. The great and absolute [words indistinct]. We who have provided you information have felt more pain than you. Those who [words indistinct] are deceiving themselves because they cannot live without doing so. Whether you deceive yourself or not, you will certainly die. People die; over this point there is no doubt. Glory be to the power of mind of every [words indistinct]! Glory to infinity! True glory to my beloved followers who have been slandered only because they have received Aum Shinrikyo's teaching, and glory to those who have recently joined us!"

Russian Expert: Gas Probably Made Domestically

OW2203151695 Tokyo KYODO in English 1448 GMT 22 Mar 95

[FBIS Transcribed Text] Moscow, March 22 KYODO—A Russian chemical weapon expert said Wednesday [22 March] he thinks the lethal sarin nerve gas used in Monday's Tokyo subway attack was produced in Japan.

Lech Fyedorov said in an interview with KYODO NEWS SERVICE there would be no point in running the many risks of trying to bring sarin into Japan from another country, since any chemist with a knowledge of organic compounds could easily produce sarin with available insecticides or agricultural chemicals.

Fyedorov added it is logical to believe that the sarin gas used in Monday's attack, as well as in a similar case in Matsumoto, Nagano Prefecture, last June, was produced in Japan.

Only Russia and the United States are officially known to possess sarin at present, he added. Iraq possessed sarin in the past, but abolished it following an international inspection, according to Fyedorov.

He said, however, there is a possibility that some other nations possess the lethal nerve gas.

Igarashi on Sarin Control Legislation

OW2303140295 Tokyo YOMIURI SHIMBUN in Japanese 23 Mar 95 Morning Edition p 2

[FBIS Translated Text] Chief Cabinet Secretary Kozo Igarashi held a news conference on the afternoon of 22 March. In connection with the subway sarin gas incident, he stressed that positive efforts will be made to have special legislation approved controlling the possession and manufacture of sarin.

Igarashi made these remarks following Home Affairs Minister Hiromu's disclosure of his intention to study such legislation in an informal ministerial gathering after a cabinet meeting held on the morning of 22 March. One of the reasons this action is needed, as pointed out by Igarashi, is that following the current Diet session's approval of a treaty banning chemical weapons, an appropriate law will be adopted, and the penalty for illegal possession of sarin as stipulated in this domestic law is too mild.

Meanwhile, in disclosing that U.S. Secretary of State Christopher has made a proposal for assistance in connection with the incident, Chief Cabinet Secretary Igarashi stated: "The concerned agencies and ministries are now studying what types of cooperation it would be appropriate to request."

North Korea

Delegation Departs for Light-Water Reactor Talks

SK2303102495 Pyongyang KCNA in English 1015 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)— a delegation of the Democratic People's Republic of Korea led by Kim Chong-u, vice-chairman of the State External Economic Affairs Commission, left here today to participate in the 3rd round of discussions with the United States on the provision of light water reactors according to the framework agreement between the DPRK and the U.S.

It was seen off at the airport by Kim Kye-kwan, vice-minister of foreign affairs.

ROK 'Illegally Infiltrating' North's Waters

SK2303110095 Pyongyang KCNA in English 1024 GMT 23 Mar 95

["South Korean Puppets Commit Military Provocation"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The South Korean puppets today committed a grave military provocation by illegally infiltrating warships deep into the territorial waters of the North side on the West Sea.

Around 10:12 [0112 GMT] two warships of the puppet army based in Taechong islet infiltrated deep into the territorial waters of the North side southwest of Kirin islet off Ongjin County, South Hwanghae Province, in a bid to kidnap our peaceful fishing boat under cover of thick fog.

A naval patrol boat of the Korean People's Army which was defending with vigilance the territorial waters of the socialist homeland imminently [as received] sailed to the scene in order to check the enemy's attempt.

Upset by this, the warships of the puppet army hurriedly fled to the South.

This reckless infiltration made by the South Korean puppets in broad daylight is a deliberate and premeditated provocation designed to incite North-South confrontation and render the situation on the Korean peninsula strained.

What draws our serious attention is that the infiltration coincided with the frantic war exercises against the North held by the South Korean puppets in conspiracy with the U.S. imperialists while extensively introducing aggression forces into South Korea with the backing of outside forces.

If the U.S. imperialists and the South Korean puppets continue seeking confrontation and war, challenging the unanimous desire of the Korean people and the world peaceloving people for peace and reunification of Korea, they will be severely punished as provokers.

'Premeditated,' 'Deliberate' Act

SK2303044195 Pyongyang Korean Central Broadcasting Network in Korean 0341 GMT 23 Mar 95

[FBIS Translated Text] This just in. The South Korean puppets today committed a grave military provocation by illegally infiltrating [pulbop chimip sikinun] a group of combat vessels [chontuhamson chiptan] deep into our side's territorial waters in the West Sea.

With an insidious purpose of kidnapping our peaceful fishing boats, at around 1012 [0112 GMT] today two combat vessels [jontu hamson] of the puppet Armed Forces, which had been waiting [tosarigo itton] at Taechong Island, infiltrated [chimip haessumnida] deep into our side's territorial waters southwest of (Chirin) Island, Ongjin County, South Hwanghae Province, under the cover of limited visibility due to fog.

A naval patrol boat of the Korean People's Army, which had been guarding the seaposts of the socialist fatherland with vigilance, rushed to the area on an emergency basis to crush the bastards' attempt at infiltration [nomdurui chimbom haengdonggidorul chippussigiwihaeso].

Taken aback by this, the group of combat vessels [chontuhamson chiptan] of the puppet Armed Forces hastily fled southward.

The South Korean puppets' reckless act of maritime infiltration [mumohan haesang chimbomhaengwi], which was openly committed in broad daylight, is a deliberate and premeditated [kouijogimyo kyehoegin] provocational maneuver to inspire North-South confrontation and lead to strained tensions on the Korean peninsula.

We cannot but take this maritime infiltration [haesang chimbomhaengwi] seriously in that the South Korean puppets perpetrated it at a time when they, currying favor with outside forces, were bringing forces of aggression into South Korea on a large scale and frantically conducting war exercises for northward aggression in collusion with the U.S. imperialists.

If the U.S. imperialists and South Korean puppets, in a challenge to the unanimous aspirations of our people and the peace-loving people of the world who hope for peace in Korea and for its reunification, continuously embark on the road to confrontation and war, the provokers will not be able to escape stern punishment [tanhohan chingbol].

ROK Kim's 'Negative Attitude' to Festival Noted

SK2303110695 Pyongyang KCNA in English 1010 GMT 23 Mar 95

["Obstacle to Grand Reunification Festival Should Be Removed"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—NODONG SINMUN in a by-lined article today denounces the Kim Yong-sam group for taking a negative attitude to a grand reunification festival scheduled to be held on the 50th anniversary of national liberation, challenging the desire of the nation for reunification.

The Kim Yong-sam group is crying that it "can never allow the festival", contending that the festivity is a "united front mode" and aimed at disintegrating South Korea "from within", the article says, and continues:

The attitude to the festival is now a criterion showing whether he or she wants national reconciliation and unity as well as the reunification of the country or not and, in other words, whether he or she seeks reunification or division.

In refusing the nationwide festival designed to open the door to reunification in the 90s, the Kim Yong-sam group overtly betrayed its stand for confrontation, division and fratricidal war opposing national reconciliation and unity and the country's reunification.

If the Kim Yong-sam group has the least mind for the country, the nation and national reunification, he has no ground to refuse the grand reunification festival that will be a historical occasion in declaring to the world that the Korean nation is a homogeneous nation that no longer wants to live separated in the North and South and proclaiming the advent of an era of reunification as well.

The Kim Yong-sam group's persistent refusal to discuss and decide on the way of reunifying the country common to the nation is to deny national reunification itself.

When the Kim Yong-sam group sets themselves against the festival which is welcomed and supported by the entire nation, it revealed with added clarity to the eyes of the world that the group is a herd of the splittists, enemies of reunification and traitors who have not an iota of national conscience nor will for reunification.

The Korean nation must remove at an early date the Kim Yong-sam group, the worst obstacle to national reunification so earnestly desired by the fellow countrymen.

Reporters Interview ROK Defector in Pyongyang

SK2303111495 Pyongyang KCNA in English 1034 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—A South Korean defector Son Su- chol, 48, who had been the president of the Sam Won Trading Co. Ltd., was interviewed with reporters here today.

Son Su-chol finished the course of a high school, served in the puppet army. After being discharged from military service he had different jobs including a book shopkeeper in Chonju, North Cholla Province.

His wife and children are now in Chonju.

Explaining the motive of his coming over to the northern half of Korea, Son Su-chol told the press conference that he was engaged in trade overseas and had opportunities to come in touch with Koreans living abroad, during which he obtained a new understanding of the North and had longed for it.

He said he was active against the North as a secret agent of the "Agency for National Security Planning" [ANSP] in China from July 1991, while engaging himself in business with trade officials in northeast China to import farm produces.

His duty was to collect DPRK-made books, gather tendencies bribe DPRK diplomats in China and conduct activities to subvert and disintegrate the DPRK, and kidnap persons. [sentence as received]

He could hardly free himself from the dreadful consciousness of the danger caused by the life of a secret agent and he longed for a world where he may live a life worthy of man, he said.

While reading with avidity respected President Kim Il-song's reminiscences "With The Century" and other DPRK-made books and travelogues on the DPRK by foreigners and overseas Koreans, he came to understand the greatness and benevolent politics of President Kim Il-song and the leader Kim Chong-il, the solid unity of the DPRK and its strong national power, he pointed out, and went on:

Longing for the North still further, I could hardly repress surging hatred for the South Korean authorities who are viciously inciting national confrontation only.

I thought that the North is the place where I should devote myself to the sacred cause of the prosperity of the country and then decided to come over to the northern half of Korea.

He cited concrete materials to lay bare the anti- reunification, anti-national splittist moves of the Kim Yong-sam group and the true color of the "ANSP" as an anti-communist plot-breeding machine tool.

According to him, today when its attempts to obstruct the DPRK- U.S. talks and stifle the DPRK with "nuclear inspection" and "sanctions" ended in failure, the Kim Yong-sam group is resorting to frantic anti-North intelligence, smear campaign and subversive activities and sabotages.

The "ANSP" is dispatching many secret agents to northeast China and employing every conceivable means and method to split and set the people there in variance, and obstruct their will for national reunification and their reunification movement.

Son Su-chol expressed deepest thanks to the great leader Kim Chong-il for bestowing warm hospitality upon him who did wrongdoings against the nation and leading him to take the road of resurrection, and vowed to devote himself to the sacred cause of national reunification and patriotic work.

Kim Yong-sam Denounced for Nuclear Dump 'Excuse'

SK2303051095 Pyongyang KCNA in English 0443 GMT 23 Mar 95

["Kim Yong-sam Group Denounced for Trying To Justify Nuclear Waste Dump Project"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The South Korean puppets are these days defending themselves from the right advice of the North side against the project to build a nuclear waste dump in Kurop Islet, crying that "there is no reason for the North to criticize it" and "it is a groundless criticism".

Branding this as a cheap excuse of those who were touched on a sore place, a news analyst of NODONG SINMUN today says:

It is as clear as noonday that if the South Korean puppets stockpile radioactive materials little different from the nuclear timebombs near the Military Demarcation Line which is in an acute military confrontation, it would become a fire hazard, bringing the situation to the brink of war and furthermore, our fellow countrymen would be plunged into a holocaust of a new war, a nuclear war.

The South Korean puppets' decision to build a nuclear waste dump in Kurop Islet is tantamount to a de facto declaration of a radioactive war against the North.

It is a criminal move to annihilate the nation by devastating the territory of the country with nuclear waste and making all the fellow countrymen in the North and the South victims to nuclear radioactivity. It is also a grave provocation intended to bring the North-South relations to the worst pitch of confrontation.

We cannot overlook the anti-national moves of the Kim Yong-sam group to threaten existence of the fellow countrymen by stockpiling nuclear radioactive materials under our nose.

The South Korean authorities would be well advised to correct their wrongdoings when they are advised.

If they press on with their nuclear waste dump project in defiance of our strong protests, we will have to take a strong counteraction against it.

We do not make empty words.

ROK Urged Not To Build Nuclear Waste Dump

SK2303063495 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 22 Mar 95

[Commentary by Kim Ho-sam: "They Had Better Give Deep Thought"]

[FBIS Translated Text] The South Korean puppets are engaging in the unjust act of refuting our position toward their decision to build a nuclear waste dump on Kurop Islet. According to a report by the Seoul Christian Broadcasting System Network in a so-called statement issued on 20 March, a person titled the spokesman for the puppet National Unification Board [NUB] of South Korea expressed his so-called regrets, saying: The North threatened that, unless we stop building the nuclear waste dump, they would nullify the North- South agreement and take strict countermeasures.

South Korea's KBS radio also reported on 21 March that there is no ground for the North to pick a quarrel with the South's attempt to build a nuclear waste dump on Kurop Island, raising an outcry.

The insidious remarks by the so-called NUB spokesman, which is said to be in charge of the reunification issue in South Korea, as well as the reports on South Korean radio are a new challenge to us; we cannot help but take a serious view of this.

As everyone knows, our people are of the same blood, but have lived apart for almost 50 years because of the successive South Korean puppets in collusion with outside forces. Our nation is the only place in the world where people have lived apart this long. This is a misfortune.

By the way, the Kim Yong-sam ring is trying to additionally bring nuclear disaster to our people, who will only experience misfortune. There are many nations in the world, but none is more vicious than the present South Korean puppets who frenziedly maneuver to repeatedly bring misfortune and disaster to the nation.

In late December 1994, when the Kim Yong-sam group of killing rascals [kimyongsam sarin aktangdul] attempted to build a nuclear waste dump on Kurop Islet located near the Military Demarcation Line [MDL] and our side, our Republic warned it to stop this serious action. Later, on many occasions and in formal documents as well as in the name of individual officials, we convincingly [aradurulsu itke] urged South Korea to stop committing such an unprecedented crime against the nation.

Nevertheless, on 27 February the South Korean puppets announced the final decision to turn Kurop Islet into a nuclear waste dump. We cannot help but regard this as the South Korean authorities' antireunification act threatening our nation's existence, as well as a deliberate and planned provocation aimed at driving North-South relations to extreme chaos [kuktoui pakuk sangtae].

The effect of nuclear waste is well known to the world. According to international environmental organizations and nuclear physicists, nuclear waste has some 40 kinds of radioactivity that does great damage to human lives and the ecosystem. Thus, nuclear waste is supposed to be stored in a place located far from densely populated areas and so it will have no effect on neighboring countries.

However, the South Korean puppets have decided to build a nuclear waste dump on Kurop Islet in Tokchokmyon, Ongjin County, Kyonggi Province, which is near densely-populated areas and the MDL, without going through the mandatory procedures for selecting a nuclear waste dump site. The puppets plan to permanently or temporarily preserve from 250,000 to 1 million drums of middle and low-degree nuclear waste, and from 3,000 to 15,000 tonnes of high-degree nuclear waste, on this small islet.

Scientists feel that the amount of radioactivity emitting from 1,500 tonnes of high-degree nuclear waste is 400,000 times as great as that from the atomic bomb dropped on Hiroshima during World War II. We can easily guess that the total amount of radioactivity from middle and low-level nuclear waste stored there will reach astronomical figures.

The Kim Yong-sam ring is going to store nuclear waste that has the potential of this terrible calamity on the islet, from which our side is easily seen. What else is this than a declaration of radioactive war [pangsanung chonjaeng sonjon pogo] against us? The act of the South Korean puppets is the greatest crime that can never be forgiven by the nation for generations.

Taking a very serious view of the new grave provocation by the South Korean puppets, we insisted that all North-South agreements be scrapped unless they stop building the nuclear waste dump on Kurop Islet. This insistence is natural.

Even though they fanned the fire, the South Korean puppets say there is no ground for us to pick a quarrel, mentioning our so- called threatening remarks and expressing their so-called regrets. This is like a thief raising a hue and cry; it is brigandish logic. The Kim Yong-sam ring's act, based on the assumption that such logic is convincing, is a rash act by a newborn puppy that challenges a tiger since it is too young to be afraid of it.

The South Korean puppets can never avoid the responsibility for the crime they are committing against our nation and neighboring Asian countries. The Kim Yong-sam ring of South Korea had better give deep thought to the grave consequences that will be brought by its act, taking no regard of either the Joint Declaration on the Denuclearization of the Korean Peninsula or the North-South Agreement on Reconciliation, Nonaggression, and Exchange and Cooperation that it solemnly pledged before the nation.

We have generously [chomjanke] talked over the issue of building a nuclear waste dump on Kurop Islet, which concerns the nation's existence. Those politicians who have rational powers should listen to what we say and review what it means.

If, refusing to do so, they continue to forcibly proceed with their plan, turning their back on the nation, we cannot help but regard this as an act aimed at destroying all our people by nuclear disaster. The South Korean puppets had better stop building the nuclear waste dump on Kurop Islet while we talk in smooth words [uriga sunsunhi iyagihalttae].

ROK Passes Bill Allowing PKO Participation

SK2303050695 Pyongyang KCNA in English 0431 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The South Korean puppets have endorsed the "Bill on Participation of ROK Army in U.N. Peace-Keeping Forces" at a "cabinet meeting" on March 21, a Seoul-based radio reported.

The South Korean puppets' endorsement of the "Bill on Participation" for overseas dispatch of the puppet army is motivated by their foolish political purpose.

When the traitor Kim Yong-sam was on a tour of European countries some time ago, he asked, everywhere he went, for the "support to South Korea's bid to become a non-permanent member of the United Nations Security Council," crying that South Korea would "actively participate in the U.N. peace-keeping activities in the future."

It goes without saying that such obtrusive demand of the puppets with no justification and qualification had come under fire by the people.

Nevertheless, the Kim Yong-sam group this time adopted the "bill" allowing the puppet army to "participate in the U.N. peace-keeping forces", in a bid to take a responsible seat of the United Nations at any cost.

The Kim Yong-sam group's bid to edge into an important executive organ of the United Nations with the overseas dispatch of the puppet army as a bait has stemmed from the silly attempt to upgrade their political position even a little that has sunk in the international arena including the United Nations.

Underlying it is a wicked scheme to kick up North-South confrontation, opposing the peaceful reunification of Korea, by abusing the United Nations Security Council.

In a nutshell, it is intended to spur the United Nations to strengthen "pressure" upon the DPRK by making the military situation of the Korean peninsula strained.

But, it is no more than a foolish dream.

The attempted move of the group of Kim Yong-sam, a fascist tyrant and war maniac, to take a United Nations' responsible seat is as good as an insult to the U.N. with peace as its mission.

The Kim Yong-sam group's move for overseas dispatch of forces has resulted from the consciousness of crisis of the puppets isolated and rejected within and without and, after all, it will turn out to be another fuse precipitating ruin.

ROK 'Struggle' To Abolish NSL Reported

SK2203151295 Pyongyang KCNA in English 1509 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—The South Korean people have waged the struggle for the abolition of the "National Security Law", anti-national and anti-reunification fascist law. The South side headquarters of the National Alliance for the Country's Reunification in an appeal called upon the 70 million fellow countrymen to turn out in the struggle to terminate the status of ceasefire, to adopt a peace agreement between North Korea and the U.S., to abolish the "National Security Law" and thus to make a turning point for national reunification.

The National Alliance for Democracy and Reunification, in a resolution adopted at a citizens' meeting for abolishing the "National Security Law", said that the pro-reunification patriotic figures arrested on charges of violation of the "National Security Law" must be set free and the "National Security Law" against the independence, democracy and national reunification must be abolished.

Students under the Pusan and South Kyongsang Provincial Federation of General Student Councils held a meeting of the federation and sternly urged the puppet authorities to abolish the "National Security Law" and students under the South Korean Federation of General Student Councils staged a street demonstration demanding the abolition of the fascist law with placards put up at gates of above 100 universities.

The members of the university, labour and citizen organizations in Taegu and North Kyongsang Province, in a declaration on the situation, determined to vigorously struggle to abolish the "National Security Law" and overthrow Kim Yong-sam's "government."

ROK 'Foolish' Dream of Globalisation Denounced

SK2303051395 Pyongyang KCNA in English 0448 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The traitor Kim Yong-sam in a "speech at a breakfast prayer" on March 21 let loose a string of foolish words, saying that "ideological reform" must be carried out above all to bring the "dream of globalisation" into reality, according to a radio report from Seoul.

This is a foolish rigmarole to maintain at any cost "globalisation", which is doomed to failure, through the sermons of churchmen.

The traitor Kim Yong-sam invented the signboard of "ideological reform" and asked churchmen to preach it, in an attempt to evade a volley of public criticism that "globalisation" is nothing but an empty word whose concept is ambiguous and which has no content and to make "globalisation" accepted.

However, it is self-evident that the "ideological reform", an extension of the reactionary "policy of reforms", will not work on anyone.

Kim Yong-sam's utterances that "globalisation is a way for the nation to live" are a mockery of the nation.

"Globalisation" places all spheres of South Korean society including politics and the economy on the choppingboard of outside forces through a total opening. It is not a way of living for the nation but a way of death by which the destiny of the nation will be left to the tender mercy of outside forces.

As seen above, the Kim Yong-sam group is a target of overthrow with whom the nation cannot live under the same sky, we have to say.

"Globalisation" moves against independence, democracy and reunification will end in failure for its vulnerability and reactionary nature.

ROK Group Campaigns on Japan 'Postwar Issue'

SK2303105695 Pyongyang KCNA in English 1000 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The Kwangju-South Cholla provincial branch of the association of bereaved families of Pacific war victims began to conduct a one million people's signature campaign in Kwangju on March 20 urging the solution of the postwar issue of Japan on the occasion of the 50th anniversary of the liberation of the country, according to a radio report from Seoul.

The organisation in a statement strongly urged Japan to officially apologize to the Pacific war victims and their bereaved families and make due compensation for them according to the international usage.

Japan's 'Schemings' To Justify Past Crimes Noted

SK2303111095 Pyongyang KCNA in English 1020 GMT 23 Mar 95

["Unchanged Aggressive Nature"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, march 23 (KCNA)—MINJU CHOSON today comments on the recent schemings of the Japanese reactionaries to beautify and justify the aggressive crimes committed by the Japanese imperialists in the past.

Recalling that militaristic utterances are rolling off the tongue of Japanese about the issue of adopting at the Diet a "resolution on banning Japan's engagement in war" which is intended to apologise for and repent of the history of aggression and to promise not to kindle a war again, on the occasion of the 50th anniversary of the defeat of Japan in the war, the analyst of the paper says:

Japanese political figures are openly defending and justifying the past crimes of aggression and opposing the liquidation of the past. This is a frontal challenge to the peoples of Asia and the world.

In the past, the Japanese imperialists invaded Korea and other Asian nations, mercilessly killed innocent people and robbed them of their huge wealth.

They occupied Korea for more than 40 years, during which they enforced a colonial rule over it and walked away more than six million Korean people for slave labour and made nearly 200,000 Korean women sexual playthings for the "Imperial Army".

The number of the Asian people killed by the Japanese imperialists totalled more than twenty million.

By trying to defend and justify the past crimes and evade the atonement for them, the Japanese reactionaries self-expose that their militaristic expansionist ambition is invariable.

The Japanese authorities should act with discretion, clearly mindful that Japan cannot make a new start and win an international confidence without honest liquidation of the past.

Vice Premier Hong Meets With Russian Delegation

SK2203151995 Pyongyang KCNA in English 1512 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Vice-Premier Hong Song-nam met and conversed here today in a friendly atmosphere with the visiting delegation of the Maritime Territorial Administration of Russia headed by its Governor Ye.I. Nazdratenko.

Present were Yi Song-tae, chairman of the State External Economic Affairs Commission, and Russian Ambassador to Korea Yuriy Fadeyev.

PRC Art Troupe Performs at Friendship Festival

SK2303051795 Pyongyang KCNA in English 0435 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The Chinese art troupe which came [to] Korea to participate in the 13th April Spring Friendship Art Festival raised the curtain of first performance at the East Pyongyang Grand Theatre on Wednesday [22 March] on the threshold of the opening of the festival.

Appreciating the performance were Vice-Premier of the Administration Council and Minister of Culture and Art Chang Chol who is chairman of the Organising Committee of the festival, officials concerned and working people in the city and artistes.

It was also seen by Qiao Zonghuai, Chinese ambassador to Korea, his embassy officials and Chinese guests.

The audience were deeply impressed by song "Yearning For His Bright Smile" and "We Live in Embrace of the Leader" and other songs ardently sung by the Chinese artistes with deep reverence for the respected leader President Kim Il-song who performed immortal exploits before the time and humankind.

Double dance "Phoenix Dance," "Mulan Joins the Army Voluntarily" and a solo "My Motherland" which were put on the stage with strong national colouring and emotion peculiar to the Chinese people were also acclaimed by the audience.

The performance drew down the curtain with song and dance "Song of China-Korea Friendship."

A floral basket was conveyed to the performers upon their successful performance.

Anniversary of Meteorological Organization Marked

SK2303110895 Pyongyang KCNA in English 1013 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—MINJU CHOSON today in a by- lined article on the 45th founding anniversary of the World Meteorological Organization [WMO] points out that the organization has done a lot of work in accordance with its mission and purpose since its founding.

Observatory networks and up-to-date scientific and technological means established by the WMO throughout the world are now making big contributions to invigorating the offer and exchange of meteorological information and international cooperation between member states, the article says and goes on:

In recent years, the WMO has attached a particular importance to mass weather forecast service, pushing ahead with it.

The policies of the Workers' Party of Korea on meteorology, hydrology and the seas fully coincide with the mission and purpose of the WMO.

The hydro-meteorological service of the Democratic People's Republic of Korea has been performing the role of a central advance organ in realizing the party's plan for grand nature remaking and fulfilling its mission and role as a full-fledged national organ under the WMO.

The DPRK will, in the future, too, creditably carry out its duty in meteorological field by expanding and developing international cooperation and exchange with meteorological organs of the world including the WMO.

Papers Mark National Holiday of Pakistan

SK2303110395 Pyongyang KCNA in English 1004 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—Papers here today observe the 55th anniversary of the day of Pakistan, a national holiday of the Pakistani people.

The Pakistani people have achieved a great success in the work for consolidating the political independence of the country and building an independent and prosperous Pakistan, a signed article of NODONG SINMUN says, and goes on:

Pursuing the policy of non-alignment, Pakistan pays special attention to development of the friendly relations with the third world countries and Islamic countries.

The Pakistani Government has made all efforts for peace in South Asia and cooperation among the countries in this region. The Korean people are rejoiced over the success achieved by the Pakistani people in the building of a new society.

Today, the friendly relations between Korea and Pakistan are developing on good terms.

The Korean people wish the Pakistani people new success in the future work for the independent development and prosperity of the country, a signed article of MINJU CHOSON says.

Brazil Revolutionary Delegation Visit Reported

SK2203151595 Pyongyang KCNA in English 1511 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—A delegation of the Workers' Party of Korea [WPK] today held talks with a delegation of the October 8 Revolutionary Movement of Brazil in Pyongyang.

Present at the talks on the Korean side were Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and officials concerned and on the opposite side were the members of the delegation headed by Sergio Rubens de Araujo [spelling of name as received], international secretary of the Central Committee of the October 8 Revolutionary Movement of Brazil.

At the talks, the two sides informed each other of activities of their parties and exchanged views on development of the friendly relations between the two parties.

The talks took place in a friendly atmosphere.

Given Reception by WPK at Hotel

SK2303052595 Pyongyang KCNA in English 0425 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] gave a reception for the visiting delegation of the October 8 Revolutionary Movement of Brazil at the Pyongyang Koryo Hotel on March 22.

Present there on invitation was the delegation led by Sergio Rubens de Araujo [spelling of name as received], international secretary of the Central Committee of the October 8 Revolutionary Movement of Brazil.

Hwang Chang-yop, secretary of the WPK Central Committee, and officials concerned were on hand.

Speeches were made at the reception.

Mongolian Envoy Pays Call on Hwang Chang-yop

SK2303111295 Pyongyang KCNA in English 1025 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and conversed with Mongolian Ambassador to Korea Sh. Gungaadorj who paid a farewell call on him.

Kim Chong-il Sends Thanks to KPA Art Studio

SK2303044395 Pyongyang KCNA in English 0413 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The great leader Comrade Kim Chong-il sent thanks to the creators of the Art Studio of the Korean People's Army [KPA] who produced wonderful works of fine arts, upholding the Workers' Party of Korea policy of military fine arts.

Comrade Kim Chong-il personally saw embroidery "A Dense Forest of Sobaeksu," Korean painting "The Great Leader Generalissimo Kim Il-song," woodwork "a Shoal of Carp in the River Taedong" and other new works of fine arts produced by the creators and highly appreciated them saying that talented creators originated splendid works.

At a meeting for conveying thanks speakers expressed their determination to create many more excellent works of fine arts so as to actively help toward preparing the People's Army firmly to be the main force in accomplishing the chuche revolutionary cause.

Comrade Kim Chong-il also sent thanks to the employees of the Changgwang Health Complex for the great achievements in public service in the past 15 years.

Kim Chong-il Sends Birthday Table to Repatriate

SK2303051995 Pyongyang KCNA in English 0438 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—The great leader Comrade Kim Chong-il sent a 60th birthday table to Pak Il-man, who has worked in the Central Committee of the General Federation of Trade Unions of Korea since he repatriated from Japan.

He was born from a poor worker who had gone to Japan with sorrow of a ruined people. After the General Association of Korean Residents in Japan was formed, he actively joined in patriotic work.

The great leader President Kim Il-song received his fiancee who returned earlier than him in 1963 and took care that he and she should get married in the socialist homeland. So, he returned to the homeland.

President Kim Il-song with parental care arranged their wedding ceremony, provided them with a house and let him study at the University of National Economy.

Thanks to the trust and loving care of Comrade Kim Chong-il, he has worked as a trade union official for a long time and been awarded a commendation of President Kim Il-song and state decorations several times.

Foreigners Pay Homage at Statue of Kim Il-song

SK2303042695 Pyongyang KCNA in English 0417 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—A delegation of the October 8 Revolutionary Movement of Brazil led by Sergio Rubens de Araujo, international secretary of its Central Committee, and a delegation of the Norwegian Foreign Ministry led by Lasse Seim [spelling of names as received], deputy general director of the Political Department of the Foreign Ministry, called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on March 22, laid bouquets before the statue and made a bow.

On the 21st, Takao Kamakura, director of the board of the International Institute of the Chuche Idea [IIJI], and his party on a visit to Korea laid a bouquet before the statue of President Kim Il-song and made a bow.

Head of the delegation of the October 8 Revolutionary Movement of Brazil Sergio Rubens de Araujo said the respected leader Comrade Kim Il-song was a great man. "I cannot forget his favours. When I visited Korea in April last year, he received me and shook my hands warmly," he added.

Director of the board of the IIJI Takao Kamakura said he could hardly express his grief enough at the death of President Kim Il-song. He expressed the belief that the Korean people will surmount their grief and achieve greater success in socialist construction, firmly united around the great leader Comrade Kim Chong-il, true to the intention of the great president.

Kim Pok-sin Attends Taesong, Mangyongdae Meetings

SK2303050295 Pyongyang KCNA in English 0423 GMT 23 Mar 95

[FBIS Transcribed Text] Pyongyang, March 23 (KCNA)—Meetings of agricultural working people and members of the Korean Democratic Women's Union [KDWU] were held in Mangyongdae, the cradle of revolution, and on Mt. Taesong on March 21 and 22 to conduct a tree-planting campaign on a mass scale.

Present at the meetings were Vice-Premier of the Administration Council Kim Pok-sin, officials concerned and agricultural working people and members of the KDWU.

Reports and speeches were made at the meetings.

The reporters and speakers recollected that the great leader Comrade Kim Il-song mounted Mansu Hill right after the liberation of the country, planted trees, unfolded a far-reaching plan for afforestation and wisely organized and led the struggle for its realization and thus, completely changed the appearances of the rivers and mountains of the country.

The great leader Comrade Kim Chong-il put forward the original idea on land development, indicated in detail the orientation and way of vigorously conducting afforestation and forest protection and conservation on a mass scale and energetically led the work, so that Korea turned into a more beautiful paradise of the people, they stressed.

They called for actively contributing to developing the economy of the country, improving the people's living standard and beautifying the land through a powerful endeavour to create timber forests, forests of economic value, reserved forests and ornamental forests in a foresighted way, true to the intention of the party on powerfully conducting a tree-planting campaign on a mass scale.

At the end of the meetings, the participants planted trees, flower roots and flower seeds in different places of Mangyongdae and around the Revolutionary Martyrs Cemetery on Mt. Taesong.

Earlier, on March 17, a meeting of tree-planting of officials of central organs and working people was held in Pyongyang.

* County Role in Grain Production, Local Industry

952C0074A Pyongyang MINJU CHOSON in Korean 17 Dec 94 p 2

[Unattributed article: "To Manage County Well Is an Important Requirement in Thoroughly Implementing Party Policy of Improving the People's Livelihood Evenly"]

[FBIS Translated Text] The dear leader Comrade Kim Chong-il put forward a programmatic task to enhance the role of the county in accordance with the realistic demands of our developing revolution and thereby bring about a turnaround in the people's livelihood. Managing the county well is of great importance in carrying out successfully the far-reaching plan of the dear Comrade Leader dedicated to forever glorifying the will of the respected and beloved leader—who had racked his brains to give all our people a good life that includes meals of pure white rice and meat soup, silk clothes and tile-roofed housing—and his revolutionary accomplishments.

The dear leader Comrade Kim Chong-il pointed out as follows:

"In our country, the county plays an important role in improving the people's livelihood. The rural economy is guided and managed by the county as the basic unit; the local industry, too, which accounts for a major proportion of consumer goods production, is run by the county.

Commodity supply and other services for residents are also operated on a county basis."

Improving the people's living conditions is a noble cause in carrying through revolutionary economic strategies thoroughly and bringing the superiority of our way of socialism into fuller play. Only by lifting their living standards in accordance with socialist demands can we bring the people to display a high revolutionary fervor and effect new revolutionary upsurges on all fronts of socialist construction. And we can thoroughly implement the party's revolutionary economic strategies, boost the people's confidence in socialism, strengthen our political, economic, and military might in every possible way and thereby build our way of socialism into a firm, invincible fortress.

In improving the people's livelihood epoch-makingly, it is important to manage counties well. This has something to do with their position and role in socialist construction. Each county serves as the local base and unit of socialist construction, representing one two hundredth of the country. Each county has in it a comprehensive array of economic branches and cultural facilities directly linked to the everyday lives of the residents. It also has natural resources and abounds in potential. Therefore, only by managing the county well is it possible to mobilize local resources and potential to the fullest, develop the local industry on the county basis, and raise the people's living standards, simultaneously accelerating the overall socialist construction vigorously.

Early on the great leader and the dear Comrade Leader elucidated creatively the position and role of the county in socialist construction, setting forth specific directions and methods for county housekeeping for each period and each phase of revolutionary development and wisely leading the struggles to translate them into realities. Under the sagacious leadership of the party and the leader, every county in our country today is furnished with all the conditions needed to develop local industries and the rural economy and improve the people's livelihood. Thus, the guideline of the struggle to improve the people's livelihood is in place and firm foundations have been laid to carry it out; only by managing the county well, therefore, is it possible to solve problems arising in the people's livelihood on the county basis and without tasking the state too much, and to thoroughly implement the party guideline on evenly raising the people's living standards.

Managing the county well is a more important requirement in increasing agricultural production than in anything else.

To increase agricultural production is an important guarantee for raising the living standards, for food is a priority in the people's livelihood. To solve the food problem satisfactorily, it is necessary to boost grain production by doing farm work well. And to do so, counties must be managed well. That is because farming is guided directly by each county.

The county is the local base of socialist rural construction, its main object of management being the farm community. Therefore, it is necessary for each county to concentrate resources on agricultural production, playing a major role in the local economic development. Growth in farm production is premised on development of agricultural science and technology. To increase agricultural production, therefore, it is necessary to build firm technological forces and technological means in counties to ensure the successful conduct of economic and technical guidance in agricultural production, concentrating them in specified units and placing them under a unified command system so that they can fulfill their part effectively in agricultural production. Under the leadership of the party and the leader, counties in our country are furnished with all the conditions necessary to guide agricultural production correctly. The county cooperative management committee is in overall control of all state enterprises in each county's rural economy sector. The committee directly guides cooperative farms. It establishes technological guidance systems in an orderly fashion and, based on it, conducts technological guidance in agricultural production in an effective manner. Thus, it combines all human resources in the rural economy sector and all material and technical means into a harmonious, organic body and demonstratse a great force, thereby playing a major part in increasing agricultural production. Therefore, only by managing the county well and enhancing its role, is it possible to concentrate resources on farming and ameliorate soil actively, improve the fertility of land under cultivation, do all farming details scientifically and technologically as required by the chuche farming method, and in a timely, substantive manner, and thereby increase the per-chongbo output and generate new upsurges in grain production. Indeed, to manage the county well as the local base of socialist rural construction is an important requirement in increasing grain production and raising the people's living standards.

Managing the county well is also an important requirement in developing the local industry.

Relying on locally available raw materials, the local industry produces consumer goods to meet local residents' demands. Such being the characteristics of its role, the local industry develops on the county basis. Each county functions as its base.

The people's livelihood is vitally connected with consumer goods. Where there are no gains in consumer goods production, therefore, one cannot talk about improvements in the people's livelihood. In a socialist society, people's demands for consumer goods are on the increase all the time. To meet the diverse demands satisfactorily, it is necessary not only to improve production quantitatively and qualitatively but to expand products' varieties as well. This can be done successfully only by developing medium- and small-scale industries along with the large-scale central industries. In that context, it is necessary to develop the local industry. Only through its development, it becomes possible to fully mobilize and utilize idle local labor and idle resources, as well as locally available raw materials, to rapidly increase consumer goods production, even if there is little supplemental state expenditure in labor force, objects of labor, and means of labor.

The county is in a favorable position to develop the local industry. That is because production, consumption, and other major reproduction mechanisms of the local industry are connected with the rural community. Each county today has scores of local industry plants set up on solid foundations such as those for food, daily necessities, textiles, and building materials.

These plants chiefly use local farm products and sideline products as raw materials. Since consumer goods production is a process of expending raw materials and other materials, its output is determined by how abundantly raw materials and other materials are made available for them. Various natural resources and natural fuel abound in counties; also, there are raw material bases created by counties on their own. If all counties are to make effective use of their natural, geographical environments, explore and mobilize all available local resources and potential, and operate local industrial plants at full capacity, and if a turnaround is thus to be made in the production of consumer goods, each county must be managed well. Only through this, is it possible for counties to produce consumer goods more efficiently and on their own without just counting on higher echelons for assistance, and to improve the quality of products and expand their varieties all the time.

Managing the county well is also an important requirement in materializing smooth commercial links between urban and rural areas. In our country, the county is the basic unit guiding the local industry and agriculture with direct accountability and, at the same time, serves as a base to materialize commercial links between urban and rural areas. Counties have service systems established to supply various commodities to residents, as well as fine procurement bases including procurement stores and purchasing stations. Only by managing the county well, therefore, is it possible to improve the supply of industrial goods to local residents, provide efficiently the local industry with various farm products and spare materials to meet its demands for raw materials and, in particular, to create firm production bases for export goods featuring local characteristics and utilize them effectively to turn out goods needed in the living of local residents.

To manage the country well also plays an important role in setting up service facilities and cultural, welfare facilities in a fine, forward-looking fashion so that the people can lead a happy life with no inconveniences at all.

Indeed, managing the county well is an important requirement in implementing party policy on improving the people's livelihood evenly.

Among counties today, many units have set examples in strengthening county housekeeping, highly upholding the will of the great leader. Especially, Maengsan County has become a model in solving problems in the residents' lives on its own by managing the county well and doing its housekeeping assiduously. Their experience shows that if functionaries exert themselves to improve the people's livelihood with deep loyalty to the party and the leader and with the spirit of devoted service for the people, and if they guide the masses by giving full play to the revolutionary spirit of fortitude and the revolutionary ethos of leading them by personal example, they can manage county housekeeping well and improve the people's livelihood against any difficulties or unfavorable conditions.

Highly upholding the lofty aim of the dear comrade leader, functionaries in all counties will manage their county well and bring up the people's living standards all the time and, by doing so, contribute positively to demonstrating the superiority and power of our way of socialism that is centered on the masses of people.

Sowing of 'Cold-Bed' Rice Seedlings Begins

SK2203150795 Pyongyang KCNA in English 1504 GMT 22 Mar 95

[FBIS Transcribed Text] Pyongyang, March 22 (KCNA)—Sowing on cold-bed for rice seedlings began in the countryside of Korea this spring. Cooperative farms in the western area of the country are effectively sowing, giving precedence to technical guidance according to their daily plans on fields.

Agricultural working people in South Hwanghae Province including Yonan, Paechon and Chongdan Counties, who had made a thorough farming preparation for the spring, are increasing the speed of sowing, correctly ensuring the amount of rice seeds per pyong after a strict selection of seeds and germination.

The rural communities in South and North Phyongan Provinces and the Sukchon County Agricultural Complex are carrying out their daily assignments at more than 120 percent, sowing seeds as demanded by technological regulations.

The countryside in the eastern area of the country is pushing ahead with the sowing according to the daily plans in order to qualitatively complete the sowing on cold-bed for rice seedlings in time.

South Korea

U.S. Senate Committee Passes Korea Resolution

SK2303030095 Seoul YONHAP in English 0251 GMT 23 Mar 95

[FBIS Transcribed Text] Washington, March 22 (YONHAP)—The U.S. Senate Foreign Relations Committee Wednesday [22 March] gave a unanimous nod of approval to a resolution on Korea, recognizing inter-Korean dialogue "is vital to the implementation" of the U.S.-North Korea nuclear agreement signed in Geneva last October.

The resolution, jointly introduced by Sens. Frank Murkowski (R-Alaska), chairman of the Energy and Natural Resources Committee, Paul Simon (D-Ill.), Jesse Helms (R-N.C.), chairman of the Foreign Relations Committee, Craig Thomas (R-Wyo.), chairman of the East Asian and Pacific Affairs Subcommittee, and Charles Robb (D-Va.), is likely to be passed on the Senate floor, but whether it will be passed in the House is not certain, Senate officials said.

The Senate resolution calls on President Bill Clinton to pursue measures to reduce tensions between North and South Korea, in cooperation with South Korea and other allies, on the basis of the 1992 inter-Korean agreements on improved relations and a nuclear-free Korean peninsula.

It also urges the President to facilitate progress toward an inter-Korean summit, mutual nuclear inspections by North and South Korea, exchange of liaison offices between Seoul and Pyongyang, joint North-South military discussions on steps to reduce tensions, expansion of inter-Korean trade, freedom of inter-Korean travel, inter-Korean cooperation in science and technology, education and the arts, and inter-Korean postal, telecommunication and transportation services.

President Clinton should also report to Congress on any progress made in the promotion of inter-Korean relations three months after the resolution is approved by both the Senate and the House and then every six months thereafter.

If both the Senate and the House give approval to the resolution, it will become a Congressional recommendation with respect to the President's measures to reduce tensions between South and North Korea, but it will be legally binding in regard to the President's report to Congress every six months.

Murkowski, who visited both Koreas last December, said, "If there is going to be a true easing of tensions on the Korean peninsula, we have to encourage communication to begin between the North and South. If there isn't communication, it is highly unlikely that the U.S. agreement with the North can be fulfilled."

North's 'Displeasure' With PRC's Policy Noted

SK2303064895 Seoul CHUNGANG ILBO in Korean 23 Mar 95 p 1

[By Beijing-based correspondent Mun Il-hyon]

[FBIS Translated Text] It has been learned that with the North Korea-U.S. Berlin negotiations in connection with light-water reactors slated for 25 March on the horizon, the PRC made secret contacts with North Korea on several occasions in an effort to persuade the latter to accept ROK-model light-water reactors; the contacts, however, ended with no success due to North Korea's strong rejection of ROK-style reactors.

It has also been learned that during the contacts, North Korea not only flatly rejected the PRC's persuasion, but also showed strong displeasure with Beijing's policy toward the Korean Peninsula, and that PRC Ambassador to North Korea Qiao Zonghuai flew to Beijing secretly in the middle of this month to report such a cool atmosphere. Accordingly, relations between North Korea and the PRC have been enveloped in a cold atmosphere recently.

A high-ranking source from the PRC stated on 22 March: "I understand that according to the request made by the ROK and the United States to the PRC to persuade North Korea to accept ROK-style light-water reactors, diplomatic contacts with North Korea were recently made on several occasions in Pyongyang, Beijing, and New York. Sharp differences of views, however, were found in the contacts with regard to the way of solving this issue."

This source pointed out that with "the public opinion of the international community, including the United States, deteriorating with each passing day, and with the sincere implementation of the North Korea-U.S. agreed framework being conducive to stability on the Korean peninsula," the PRC persuaded North Korea, in a roundabout manner, to accept ROK-style light-water reactors, stressing that "to smoothly solve the issue, it is desirable to take a 'realistic' [hyonsilchok] attitude."

For this, the source revealed, North Korea strongly rejected accepting ROK-style light-water reactors, asserting that "the ROK and the United States are driving North Korea into a corner by exploiting the issue of ROK light-water reactors, and are attempting to eventually destroy the North Korean regime."

This source also revealed that North Korea showed strong displeasure, pointing out that since last year contacts between the ROK and the PRC have continued rapidly, while the PRC's economic aid to North Korea has been decreasing with each passing day, alleging that the PRC's policy toward the Korean peninsula has lost its balance.

It has been learned that because of such an atmosphere between North Korea and the PRC, PRC Ambassador to North Korea Qiao suddenly returned to home in mid-March to report North Korea's displeasure, and returned to Pyongyang on 21 March by Koryo Airline.

North Ministry of Armed Forces Said 'Downgraded'

SK2303045795 Seoul CHOSON ILBO in Korean 23 Mar 95 p 2

[FBIS Translated Text] The Ministry of the People's Armed Forces of North Korea has been downgraded from an organization of the National Defense Commission, which is chaired by Kim Chong-il, to an organization of the State Administration Council. This was disclosed on 22 March by North Korea's "Korea Central Yearbook for 1994."

According to a relevant government official, for the first time the yearbook defines the Ministry of the People's Armed Forces as a second-level ministry under the State Administration Council, following the Ministry of Foreign Affairs, in its explanation of North Korean state organizations.

He stated: "Changes have taken place in the prestige of the representative organization of the North Korean military leadership during the power transition. This is very significant for attracting people's attention. It cannot rule out, however, the possibility that such a move will be a kind of disguise to externally eradicate its image as an army-oriented state [pyongyong kugga]."

He added: "During the funeral ceremony for Kim Il-song in July and his memorial ceremony in October, wreaths from the State Administration Council and the Ministry of the People's Armed Forces were displayed separately. Judging from this, it is believed the prestige of the North Korean military leadership has not actually changed."

The Ministry of the People's Armed Forces—in which O Chin-u, who died last month, served as minister for 16 years—separated from the State Administration Council in 1982, then was transferred to the National Defense Commission in May 1990 from the Central People's Committee, a direct organization of the president.

Former DPRK Agent Admits Assassination Mission

SK2303103095 Seoul YONHAP in English 1021 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—The man who Sogang University President Pak Hong claimed Wednesday had been ordered by North Korea to "eliminate" Pak, publicly backed up Pak's assertion Thursday.

Meeting the press at Seoul Garden Hotel along with Pak Hong, Han Pyong-hun, 32, said a North Korean agent personally gave him the mission to kill Pak Hong last summer.

He said he came in contact with the Pyongyang agent at the Copenhagen airport, Denmark in July last year.

Han said he had visited North Korea four times after he was picked up by the agent, Kim Yong-mu, 57, in March 1987 when he was in Germany attending Cologne University.

He said that in North Korea he underwent a series of terrorist training especially in sabotaging dams, subways, city gas facilities and electric centers.

While giving him the order to kill Pak Hong, the North Korean agent said Pak was a reactionary whose exposure of the existence of North Korea-controlled leftist students in the South undermined the influence of Hanchongnyon [Korean Federation of General Student Councils], an activist students organization, and led law-enforcement authorities to step up their crack down on leftists.

He said that the North Korean agent he met implied at the existence of a number of North Korean agents in the South and abroad.

"When I wanted to operate in the Kwangju area, the agent told me not to touch the area because somebody else took care of the region," Han said.

Instead of handing down specific missions to its agents by means of code-book messages as in the past, North Korea now lets its agents operate on their own discretion, Han said.

Koreans in Japan Polled on Naturalization Interest

SK2303061295 Seoul YONHAP in English 0545 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—Over 60 percent of Korean residents in Japan are not interested in becoming Japanese citizens by naturalization, although three-quarters experience racial discrimination while living in Japan, according to survey results announced Thursday [23 March].

The survey of 3,000 ethnic Koreans living in Japan revealed that 41.5 percent of those questioned felt racial discrimination when applying for jobs.

The survey conducted recently by the South Korean Embassy in Tokyo also revealed that 84.8 percent of those surveyed felt racial discrimination in their voting rights, while 80.2 percent felt the selection system for civil servants and teachers was biased.

About 68 percent said the Japanese Government is discriminatory against ethnic Koreans in granting social security benefits, while 59.4 percent cited the registration system for foreigners as prejudiced, according to the survey.

Despite their grievances over a variety of discriminatory tendencies in Japan, more than 77.5 percent, however, responded negatively to the idea of returning to Korea permanently.

Only 23 percent answered affirmatively about the need to set up Korean schools to provide their children education which would imbue them with a Korean identity.

Over 78 percent said that they do not use the Korean language at home, although 68 percent replied that they are sentimental towards Korea.

Foreign Ministry officials said that the government will continue to urge the Japanese Government to take steps to reduce discriminatory measures against Korean residents in Japan while coming up with measures to educate Korean residents in Japan on Korean identity.

More on Establishing Siberian Industrial Complex

SK2303075095 Seoul YONHAP in English 0728 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—A basic agreement for the construction of a South Korean industrial complex in the Nakhodka Free Economic Zone (NFEZ) in Far Eastern Russia was concluded Thursday in Nakhodka between Yi Hyo-kae, president of Korea Land Development Corp. (KLDC), and S. A. Dudnik, authorized representative of the NFEZ administrative committee, the KLDC announced.

In accordance with the accord, the KLDC will lease 3 million square meters of land for the Korean industrial complex for 50-70 years, while the Russian side will provide such utilities as electricity and water and prepare institutional devices to protect Korean businesses' investments, a spokesman of the corporation said.

The industrial complex, to be built on a flat area of land close to the Trans-Siberian Railroad, Vostochiny and Vladivostok ports, will serve as a forward base for Korean enterprises seeking exports to Europe, China and Russia, when completed.

The KLDC will make presentations for domestic companies around August after signing a main contract as early as possible with the Russian side, according to the spokesman.

As of March 1994, there were some 320 cases of investment in the NFEZ by Korean, Japanese and Chinese Hong Kong and U.S. investors, the spokesman stated.

Meanwhile, an agreement to build the Korean industrial complex in NFEZ had been reached during a Moscow summit between former South Korean President No Tae-u and his Russian counterpart Boris Yeltsin in November 1993, the spokesman added.

Seoul, Hanoi Initial Agreement on EDCF Loans

SK2303071895 Seoul YONHAP in English 0700 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—South Korea and Vietnam initialed Thursday [23 March] agreements on science and technology cooperation and the Economic Development Cooperation Fund (EDCF) loan, Foreign Ministry officials said.

During a two-day joint economic talks which ended here Thursday afternoon, the two sides also agreed that the agreements will be formally signed in April when Do Muoi, general secretary of the Vietnamese Communist Party, will visit Seoul, according to the officials.

The South Korean delegation, led by assistant Foreign Minister for Economic Affairs, Son Chun-yong, presented a list of regulations in Vietnam which South Korean businesses deem unreasonable and the Vietnamese promised that they will examine the list favorably towards South Korea, according to the officials.

The Vietnamese delegation, comprised of 15 members including Vice Foreign Minister Vu Khoan, informed that the Vietnamese Embassy here will issue visas to South Koreans who want to visit Vietnam for the purpose of enhancing bilateral cooperative relations, the officials said.

South Korea expressed its willingness to take part in social overhead capital (SOC) projects in Vietnam and Vietnam welcomed Korea's move, said the officials.

South Korea promised to continue to expand its EDCF loan to Vietnam, they said.

For the development of the Vietnamese stock market, South Korea agreed to invite Vietnamese officials and students to the country to educate them on the stock market system while rendering assistance for the opening of a lecture on stock market in Vietnam, they said.

Vietnam demanded that its trade deficit with South Korea be reduced and South Korea responded that the issue should be resolved by expanding bilateral trade volume gradually, the officials said.

South Korea exported 1.02 billion dollars worth of goods to Vietnam and imported 114 million dollars from Vietnam last year.

During the talks, the second of its kind, the two sides reaffirmed the need to enhance cooperation in the fields of resources development, telecommunications and agriculture, the officials said.

The third round of South Korea-Vietnam joint economic talks will be held in Hanoi early next year, said the officials.

Criteria for Judging Foreign Trade Announced

SK2303005495 Seoul THE KOREA HERALD in English 23 Mar 95 p 8

[FBIS Transcribed Text] The Fair Trade Commission yesterday announced criteria to help Korean firms judge whether their business contracts with foreign partners are fair deals.

The new rules follow the revision of related law and decree last December, which abolished the mandatory reporting of all international business contracts, thus leaving the decision to businesses.

Instead of allowing the involved companies to decide whether to apply for screening of the contracts, the commission provided clear examples of which were fair and which were not on 23 specific situations. Officials said this is a step forward from the previous rule which only stipulated what contracts were unfair.

Out of the 23 changed rules, 13 are related with intangible property, including restriction on sales area, six with import agencies, including restrictions on trading partners and the other four with joint venture contracts, including restrictions on parts purchase.

For instance, if the U.S. headquarters of McDonald's forces Korean franchises to buy only U.S. potatoes, that would constitute an unfair contract, the officials said.

However, if such coercion is indispensable for guaranteeing the quality of products, such an act can be judged as fair, they said.

Also, when Korean companies improve the technology transferred to them by a foreign partner and resell its supplier, it is fair contract, according to the new criteria.

In determining whether a contract has been made fairly or not, the new criteria will take into account the effect on fair competition, contract period and related market situations, they said.

KOICA Agrees To Provide NGO's With Grants

SK2303025795 Seoul YONHAP in English 0238 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—The state-run Korea International Cooperation Agency (KOICA) signed Thursday [23 March] agreements to provide 625,000 dollars in grants to 17 nongovernmental organizations (NGOs) for a variety of projects abroad this year.

The agreements were signed at the KOICA headquarters in downtown Seoul between KOICA President Chong Chu-yon and heads of the NGOs, including the Korea National Red Cross and the Korean chapter of the United Nations International Children's Emergency Fund (UNICEF).

Among the NGO projects supported by the KOICA are establishing farming institutes, vocational educational centers, schools, health and medical centers and orphanages in such developing countries as the Philippines, Vietnam, Laos, Bangladesh, Nepal and Ethiopia, according to officials of the KOICA.

It is the first time that the government signed agreements with the country's NGOs to grant them financial assistance, the officials said, adding that the World Summit for Social Development (WSSD) has recently raised the issue of expanding governmental assistance for NGO activities.

The amount of 625,000 dollars to be provided to 17 NGOs this year accounts for 1.3 percent of the country's total grants for a variety of social development for this year, compared to that of 10 percent of advanced countries, said the officials who added that the government will continue to raise the proportion of its grants to NGOs.

Seoul Building Gas Identified as Boiler Exhaust

SK2303013995 Seoul YONHAP in English 0124 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—Police investigating the toxic gas poisoning of 19 people at an office building South of the Han River Wednesday [22 March] afternoon tentatively identified the leak as exhaust fumes from the building's boiler heating system.

In an interim investigation report announced at midnight Wednesday, police said that a billboard on the roof of the building, standing in front of a vent of the boiler heating system, caused boiler exhaust from that vent to flow back into the building through the building's air-conditioning ducts. No traces of an outsider's gas attack have been detected, it added.

A police officer said when people are exposed to 200ppm (parts per million) of carbon monoxide from boiler exhaust, they usually develop symptoms of nausea and headache.

Considering the symptoms of those exposed to the gas, the amount of carbon monoxide released from the boiler exhaust appears to be far exceeding 200ppm, he remarked.

The atmospheric pressure on that day was low, and there was a possibility that boiler exhaust permeated the building through ventilators, elevator shafts and other passages in the building, he added.

Police are interrogating a boilermaker of the building about boiler operations, while searching [as received] another boiler attendant who worked in the boiler room that day.

Police will also summon the building's owner and related city officials for questioning about the installation of the billboard on top of the building.

The 19 poisoned people, including 11 employees of American Insurance Co. on the 18th floor, were treated in nearby hospitals and were said Thursday morning to be in stable condition.

DLP Studies Candidates for Local Elections

SK2303074295 Seoul YONHAP in English 0705 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—The ruling Democratic Liberal Party (DLP) plans to decide on its two or more candidates for Seoul mayor by this weekend, a party source said Thursday.

The ruling party is internally studying five figures including former Prime Minister Chong Won-sik, former and incumbent Seoul Mayors Ko Kon and Choe Pyong-yol, and Rep. Yi Myong-pak, according to the source.

A senior party official said, "Sooner or later, we plan to choose two figures who will be supported by most Seoul citizens, with the consent of the party president."

The party will openly collect those who want to run for mayors and governors in the local elections slated for June 27 to choose among them promising candidates. Those candidates will be voted upon by the party's electoral college to be nominated by the party.

The party will choose candidates for mayors and governors soon. Rep. Chong Ho-yong is the most likely candidate to be nominated for Taegu mayor's post, party sources said.

Selects Preliminary Candidates

SK2303121995 Seoul YONHAP in English 1121 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—The ruling Democratic Liberal Party (DLP) on Thursday designated two each preliminary candidates for the mayoralty and governorship of the 15 major cities and provinces.

A final DLP candidate for each major city and province will be chosen by a party electoral college on April 12 from among the two and another to be selected through public application.

A DLP source said that upon its preparation, the list of the preliminary candidates was referred to President Kim Yong-sam, the concurrent DLP head, for review and approval.

The preliminary candidates designated were:

—Seoul: Former prime minister Chong Won-sik and DLP Rep. Yi Myong-pak
—Pusan: DLP Rep. Mun Chong-su and incumbent Pusan Mayor Kim Ki-chae
—Taegu: Incumbent Taegu Mayor Cho Hae-yong and former Taegu Mayor Yi Sang-hui
—Kwangju: Incumbent Kwangju Mayor Kang Un-tae and former Kwangju Mayor Kim Tong-hwan
—Inchon: Former Inchon Mayor Choe Ki-son and DLP Rep. Kang U- hyok
—Taejon: Former Taejon Mayor Kyom Hong-chol
—Kyonggi Province: DLP Reps. Yi In-che and Yim Sa-pin
—Kangwon Province: Incumbent Kangwon Governor Yi Sang-yong and former Kangwon Governor Han Sok-yong
—North Chungchong Province: Former Seoul Mayor Yi Won-chong and former North Chungchong Governor Kim Tok-yong
—South Chungchong Province: Incumbent South Chungchong Governor Pak Chong-pae and former South Chungchong Governor Pak Tae- kwon
—North cholla Province: Former North Cholla Governor Kong Hyon-uk
—South Cholla Province: Former South Cholla Governor Chon Sok- hong
—North Kyongsang Province: Senior Chongwadae [presidential offices] secretary for administration Yi Ui-kun and former North Kyongsang Governor Yi Pan-sok
—South Kyongsang Province: DLP Rep. Kim Pong-cho and incumbent South Kyongsang Governor Kim Hyok-kyu
—Cheju Province: Incumbent Cheju Governor Sin Ku-pom and former Cheju Governor U Kon-min

President Kim Urges 'Drastic' Judicial Reforms

SK2303065795 Seoul YONHAP in English 0617 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—President Kim Yong-sam Thursday [23 March] called for drastic judicial reforms to meet public expectations of justice from all walks of life.

Presiding over a high-level government meeting at a Chongwadae [presidential offices] conference room, he said the judicial reform plan that the administration and judiciary are jointly working on should include measures to reform law education and examination systems and improve other systems posing obstacles to judicial justice.

He welcomed the participation of judges and prosecutors on the administration's work on judicial reforms.

Noting the training and recruitment of higher-level administration officials is as important as judicial reforms, the chief executive stressed the administration should secure well-educated and competent specialists in the civil service to meet its ever-specializing demands.

It is desirable for the administration to recruit lawyers trained under the new law education system, because with international relations increasing sharply, the administration is facing an ever-increasing demand for specialists in international law, he remarked.

The civil service's personnel and wage systems should also be improved so as to encourage civil servants to develop themselves as specialists, Kim stressed.

Kim Tae-chung: No Postelection Return to Politics

SK2303070295 Seoul YONHAP in English 0645 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, has made it clear that he will not return to the political arena even after the June 27 local elections.

Regarding the ruling Democratic Liberal Party (DLP) Situation Analysis Committee's speculation that he would make a political comeback following the upcoming local elections, the former opposition leader was quoted by major opposition Democratic Party (DP) Spokesman Pak Chi-won as saying, "Don't worry. I won't come back to politics even after the June 27 local elections are finished."

Kim made the comment to Pak at his Tonggyo-tong residence in western Seoul Wednesday [22 March] evening.

Kim's lecture on inter-Korean relations delivered Wednesday at a seminar sponsored by his Peace Foundation sparked criticism from the government party.

DP Spokesman Pak issued a statement Thursday on Kim Tae-chung's remarks about the controversial issue of condolences over Kim Il-song's death, criticizing, "Chairman Kim has not asserted that the government should have expressed condolences on the death of Kim Il-song, the criminal of the Korean war. The majority party resorted to black propaganda when it alleged that Chairman Kim said something that he didn't."

Refuting DLP Spokesman Pak Pom-chin's contention that Kim sympathized with North Korea by accusing that the government's attitude towards the turmoil caused by the issue of condolences was inappropriate, DP Spokesman Pak said, "Chairman Kim just called for appropriate steps designed to dispel misunderstandings of the North, which is demanding an apology. It is entirely up to the government to determine what steps to take."

"Our allies including the United States have already indicated that the government's reaction was inappropriate," the DP statement added.

Kim: Globalization To Improve Quality of Life

SK2303054295 Seoul YONHAP in English 0509 GMT 23 Mar 95

[FBIS Transcribed Text] Seoul, March 23 (YONHAP)—President Kim Yong-sam declared Thursday [23 March] that the quality of the citizens' life would be raised substantially under the government's globalization policy.

Presiding over a session on the globalization plan held at Chongwadae [presidential offices], the chief executive said, "Segyehwa (globalization) of the quality of life denotes the development of a welfare society befitting our traditions, culture and socio-economic conditions. A balanced development elevating the quality of life should be the direction of our national development in a globalization era."

Given the fact that South Korea's per capita income is nearly 10,000 U.S. dollars, Kim's remarks were accepted as an indication at his intention to improve popular welfare to a standard commensurate with that income level.

As five basic principles for his welfare program, Kim cited the guaranteeing of minimum standards, productive welfare, community-wide welfare, informationizing and efficiency, and orientation towards safety.

Regarding the principle of guaranteeing minimum standards, Kim said, "A minimum decent life should be guaranteed to all the citizens, with the state taking responsibility for repelling absolute poverty."

The state should guarantee the basic living conditions of the needy such as income, Medicare, education and housing, and the government should implement "preventive welfare" instead of "ex post facto welfare" and "productive welfare" in place of "consumptive welfare," Kim said.

As for the safety-oriented principle, the head of state said, "It is urgent to protect the citizens from environmental pollution, crimes, unsanitary foodstuff and substandard public works. Furthermore, the citizens' sense of insecurity about diseases, unemployment and advanced age must also be reduced."

Stressing the need to extend practical living assistance to the needy, handicapped and orphaned children, the president called for working out a formula aimed at encouraging the private sector to invest in such areas.

Kim also called for establishing a "21st century-type" comprehensive environmental improvement policy to provide clean air, clean water and a pleasant environment.

Noting that the welfare reforms are designed to improve the quality of life for future generations, Kim instructed the cabinet to report concrete measures that can be implemented immediately during the first half of the year.

He also instructed for a popular welfare planning group to be created for the purpose of formulating medium- and long-term welfare programs.

Controversy Over POSCO Diversification Noted

SK2303012495 Seoul THE KOREA HERALD in English 23 Mar 95 p 8

[FBIS Transcribed Text] Controversy is brewing over the Pohang Iron & Steel Co. (POSCO)'s revision of its company articles to diversify its business arenas.

POSCO, the state-controlled steel giant, recently revised its articles to expand its business areas into the liquefied natural gas (LNG) and power generating fields and the Ministry of Trade, Industry and Energy (MOTIE) approved it.

The POSCO's bids for various infrastructure projects have also developed into a dispute over the privatization of the world's second-largest steel producer.

POSCO, the MOTIE, the Ministry of Finance and Economy (MFE), the Korea Development Institute (KDI) and Chongwadae [presidential offices] have been largely divided into two parts over the issues.

Officials at the KDI, a state-sponsored think tank, the MFE and Chongwadae have supported the idea to privatize POSCO, a de facto monopoly on domestic flat-rolled sheet.

They insist that the government should sell its 33.8 percent controlling stake in POSCO and open the country's steel market by allowing other enterprises to enter into the steel market and guaranteeing free competition among them.

With regard to concerns about the matter that the privatization may lead to the actual takeover of POSCO by a few huge conglomerates, they say that the concentration of economic power on a few conglomerates would be better than the POSCO's perpetual monopoly on the steel market.

Some even suggest that the government could separate the POSCO's two mills in Pohang and Kwangyang for the privatization in order to prevent an excessive concentration of economic power on a few giant business groups.

In the meantime, officials at POSCO and the MOTIE have raised an objection to the privatization efforts, saying that "We feel no necessity for POSCO to be privatized as the state-run company now produces raw materials for the country's overall industry."

At the same time, a public offering of the government's holding stakes in POSCO could eventually be scooped up by one or two of the country's big conglomerates, they say.

"If the Hyundai or Samsung business groups, both of which are known to have steel-making ambitions, buy only 15 percent of the shares, will have enough to control POSCO," a POSCO official said.

"In case of selling POSCO shares to the public inevitably, the equity holding limit should be set at one percent of the total or less to prevent any one investor from gaining control of the company," he said on condition of anonymity.

Meanwhile, Pak Un-so, vice minister of trade, industry and energy, said yesterday that the MOTIE will ban POSCO from engaging in the gas supply business although it gave a go-ahead for the revision of the POSCO articles.

However, the MOTIE is moving to allow POSCO to build two power generating plants with a capacity of 500,000 kw each in Kwangyang if POSCO use the power to be produced exclusively to cover its self-demand, said Pak.

Over the POSCO's move to make inroads into the power generating and LNG businesses, the two state-run companies—Korea Gas Corp. and Korea Electric Power Corp.—have raised strong objections, saying that it is inconsistent that a state-invested corporation tries to enter into the businesses which have been already operated by other state-controlled companies.

Han I-hon, senior presidential secretary for economic affairs, also expressed his objection to the POSCO's revision of the articles to enter into the new businesses, a senior government official said.

Amid the growing controversy over the POSCO's move, the Board of Audit and Inspection (BAI) has launched its probe into the management of POSCO and the Korea Heavy Industries & Construction Corp. (HANJUNG)

The BAI inspection is a routine one designed to grasp the management and fiscal status of the two public corporations, a BAI spokesman said. However, many industrialists here say that the BAI action may have something to do with the management style of Kim Man-che, chairman of POSCO, who is reported to have made strong push for the diversification of the giant steel maker's business areas.

Military Aircraft Project Integration Studied

SK2303070095 Seoul TONG-A ILBO in Korean 23 Mar 95 p 2

[FBIS Translated Text] It has been learned that the Ministry of National Defense set out to integrate the nation's military aircraft development projects, which are now shared by domestic enterprises, in order to systematically develop the national aviation industry and prevent duplicate investments by business groups.

The Ministry of National Defense has taken up this policy in accordance with Defense Minister Yi Yang-ho's 21 March direction to review the "Measures To Integrate Military Aircraft Development Projects."

In a bid to maximize investments in and the effectiveness of aviation industrial development, as well as to secure the country's international competitive strength, the Ministry of National Defense is considering establishing a government-level planning team for aviation industrial development, establishing a consortium and joint research center of private aviation companies, and devising a method to specialize and serialize aviation companies by part, such as engines and the main bodies of aircraft.

At present, the nation's military aircraft development projects are carried out by the following business groups: Samsung Aviation is developing the next-generation fighter (KFP) and higher-training aircraft (KTS2); Daewoo Heavy Industries is developing primary-training aircraft (KTX1); Korean Air is engaged in developing the KE UH60 helicopter; and some 10 medium and small-sized enterprises are in charge of developing aircraft parts.

As soon as final measures to integrate military aircraft development projects are prepared, the Ministry of National Defense will proceed with the plan to integrate the nation's aviation industry after discussing it with such relevant offices as the Ministry of Trade and Industry and the Ministry of Science and Technology.

Burma

Japan Gives Billion Yen for Food Program

BK2303100995 Rangoon Radio Myanmar in Burmese 1330 GMT 22 Mar 95

[FBIS Translated Text] A signing ceremony marking 1 billion yen in assistance from the Japanese Government to the Government of the Union of Myanmar [Burma] for the food development program was held at the Meeting Hall of the Myanmar Investment Commission Office at the corner of Merchant and Shwebontha Roads at 1600 today.

Brigadier General Abel, minister of national planning and economic development, and Japanese Ambassador Takashi Tajima signed the agreement and later exchanged the documents.

The money will be used for purchasing fertilizer, agricultural machinery, and implements for the food development program in the border regions.

Ceremony Marks KNPP Return to 'Legal Fold'

BK2203123595 Rangoon TV Myanmar Network in Burmese 1330 GMT 21 Mar 95

[FBIS Translated Excerpt] A ceremony marking the renunciation of the policy of armed struggle and return to the legal fold by the Karenni National Progressive Party [KNPP] and a pledge of cooperation between the KNPP and the government in regional development was held in the town hall in Loikaw at 0800 this morning. [passage omitted]

Speaking at the ceremony, Brigadier General Maung Kyi, presiding chairman, chairman of the Kayah State Law and Order Restoration Council, and commander of Loikaw Regional Military Command, noted the siginificance of today's occasion, which marked the renunciation of the policy of armed struggle by the KNPP, its return to the legal fold, and the beginning of its cooperation with the government in regional development projects. He said today is an auspicious day for both Kayah State and the Union of Myanmar [Burma].

Explaining the KNPP's return to the legal fold, Brig. Gen. Maung Kyi recalled that SLORC Secretary-1 Lt. Gen. Khin Nyunt and ministers visited Loikaw on 17 November 1993, Bawlake on 18 November 1993, and Pekin village on 8 May 1994 and met with departmental authorities, local elders, and indigenous people. During these ocasions, the secretary-1 invited the armed organizations in the jungle to give up the policy of armed struggle and to return to the legal fold to participate in regional development. In response to that invitation, the Kayan National Guards led by U Gabriel Byan, and the Karenni National Liberation Front led by U Tun Kyaw, and the Kayan New Land Party led by U Than Soe Naing gave up their armed struggle policy and returned to the legal fold. Now the last group in the Kayah State, the KNPP, has come to understand the genuine goodwill of the government toward the indigenous people and, after prolonged talks, the rays of peace now shine in Kayah State. [passage omitted on further reference to peace and national construction efforts] He said that now 14 armed organiations, including the KNPP, which understand and accept the goodwill of the state, have returned to the peaceful political system. [passage omitted]

Next, U Khu Hte Buphe, deputy chairman of the KNPP, presented the list of persons who had returned to the legal fold and their arms and ammunition to Brig. Gen. Maung Kyi.

Speaking at the ceremony, KNPP Deputy Chairman U Khu Hte Buphe explained how the KNPP returned to the legal fold. [passage omitted]

U Khu Hte Buphe said the KNPP waged the armed resistance movement in accordance with its political aims, but it never intended to secede from the Union. He said we will always oppose any attempt of secession from the Union. He said our aims and objectives are in accordance with the three cardinal causes of the State Law and Order Restoration Council [SLORC]—nondisintegration of the Union, nondistintegration of national unity, and perpetuation of national sovereignty. He said we are especially aware of the SLORC's efforts to reach cease-fire agreement with indigenous armed organizations and its endeavors to concentrate on regional development projects. He said the KNPP believes that the country's strength lies within the country. Therefore, if we cooperate with the SLORC, it would not only be able to raise the standard of people in the Kayan State, but also contribute to the country's prestige in the world and toward the emergence of a modern nation.

He said the holding of this ceremony was made possible because the SLORC held talks with sincerity as if we were brothers. He attributed the success to the role of the responsible officials from both sides, senior religious leaders, and intermediaries and he thanked them for their contribution. He called on the remaining indigenous armed organizations to respond to the government's internationally declared invitation for peace talks and urged them not to be deceived by internal and external instigations and work hand in hand with the government as soon as possible for the development of the country. [passage omitted]

The ceremony ended successfully at 0800. After the ceremony, SLORC Secretary-1 Lt. Gen. Khin Nyunt warmly greeted U Khu Hte Buphe, KNPP deputy chairman and its members and Christian leaders. [passage omitted]

A total of 7,790 KNPP members returned to the legal fold today. They brought with them 8,934 weapons which included 23 60-mm mortars, six 81-mm mortars, five 82-mm mortars, 10 82-mm recoiless rifles, 10 107-mm recoiless rifles, three 120-mm mortars, three 75-mm recoiless rifles, three 57-mm recoiless rifles, four 62-mm launchers, and three .5 machine guns. [passage omitted]

Shan 'Insurgents' Surrender in Namsam

BK2103155695 Rangoon Radio Myanmar in Burmese 1330 GMT 21 Mar 95

[FBIS Translated Text] Deputy Company Commander Myint Than and Private Aye Myint from the SURA [Shan United Revolutionary Army] armed insurgent group's 6th Company, 281st Battalion, after realizing the genuine goodwill and achievements of the State Law and Order Restoration Council [SLORC] and condemning the terrorist acts of the insurgents, have surrendered together with one M-79 rocket launcher, five 40 mm rockets, one AK-47 assault rifle, one magazine, and 30 rounds of AK-47 ammunition to the Namsam Garrison on 15 March.

* Bo Mya's Conflict With Buddhists Detailed

95SE0119A Bangkok SIAM RAT SAPDA WICHAN in Thai 19-25 Feb 95 pp 10, 11

[FBIS Translated Excerpt] [Passage omitted] During the fighting at this time, the Burmese troops have achieved great success because of their attack on and seizure of the Manorplaw Camp, the main Karen headquarters located across the border from Ban Sopmoei in Mae Hong Son Province. Besides this, they have also attacked various smaller camps located along the Thai border. This includes the Nota Camp opposite Ban Mae Tun in Tha Song Yang District, Tak Province, and the Dong Kwin Camp of Burmese students, which is located opposite Ban Mae Sam Laep in Mae Hong Song Province. [passage omitted]

The main reason for the success of the Burmese troops is that there is an internal split among the Karens. This conflict first arose in December 1994 when soldiers of General Bo Mya, who is a Christian, refused to allow soldiers led by Phra Uthusana, a Buddhist, to take part in a religious ceremony. That led to a conflict and clearly polarized the Karens. In the end, the 300 Buddhist soldiers left and set up their own headquarters at the Thumuai Tha Temple near the confluence of the Moei and Salween rivers opposite Ban Sopmoei in Mae Hong Son Province.

A new source who is close to Phra Uthusana talked about the cause of this conflict. He said that the Buddhist Karen soldiers have been dissatisfied with Gen. Bo Mya for a long time. Prior to this, Gen. Bo Mya ordered soldiers to kill General Pha Dowi, an important figure in the KNU (Karen National Union) army. [passage omitted]

After the Buddhist Karen soldiers left, there were several rounds of talks, but the two factions were not able to reach an agreement. Thus, on the morning of 6 January, the Bo Mya faction took military action to suppress the rebels. There was a fierce clash between the two factions. Both small arms and artillery were used. Fire spread throughout the camp at the Thumuai Tha Temple camp, and finally the Buddhist faction had to withdraw because their forces were weaker. But before retreating, they sabotaged the large armory located near the Thumuai Tha Temple, destroying a large quantity of weapons. They retreated southwest to the Miang Kuming Temple, where they established a new base. This new camp is approximately 30 km from their old camp.

Some Karen officers who belong to the Buddhist faction are now holding talks with Burmese troops in an effort to use these troops, which are stationed near Doi Ma Non. This is in retaliation for the large number of soldiers that they lost. Besides this, at the camp at Miang Kuming Temple, a new organization called the Karen Buddhist Democratic Organization has been established. It refers to itself as a new independent state separate from General Bo Mya.

Burmese soldiers from the 66th and 33d battalions launched at attack on the Karen base at Nota oppose Ban Mae Tun in Tha Song Yang District, Tak Province, and managed to overrun this base very quickly. [passage omitted]

The talks between the Burmese forces and the Buddhist Karens were successful. The Buddhist Karens agreed to help the Burmese soldiers attack the Manorplaw Camp, which was the main camp of Gen. Bo Mya, the man who had created such resentment among them. The two forces chose Gen. Bo Mya's birthday on 20 January as the date of their attack. The Burmese used more than 5,000 soldiers in this operation. [passage omitted]

After Manorplaw, the main headquarters of the Karens, was seized by Burmese forces, Gen. Bo Mya gave an interview to a group of local reporters at a temporary camp near the Thai border opposite Mae Hong Son Province. This camp was built hurriedly, and the soldiers there are in dire need of supplies. But Gen. Bo Mya has clearly announced that he will restore the Karen government and that he will never surrender to the Burmese Government even if negotiations are held. "We have been betrayed."

At the same time, there have been reports that "Bo Mya" has sent an important officer to meet with leaders of the Shan national liberation forces (MTA), which are based in the Shan State, in order to discuss joining forces to oppose the Burmese Government forces.

On 30 January, Burmese forces attacked the Khomura Camp with 105-mm artillery. On 2 February, the Burmese reinforced their forces on hills 666 and 333 and changed tactics by using sappers to launch attacks. On 8 February, Burmese soldiers launched an all-out attack using almost 4,400 infantrymen, who swept down from hills 666 and 333 to attack the Khomura Camp. The fighting was very fierce, and almost 100 Burmese soldiers were killed. [passage omitted]

Cambodia

Sihanouk Flies to Beijing for Medical Check-Up

BK2203074095 Hong Kong AFP in English 0606 GMT 22 Mar 95

[FBIS Transcribed Text] PHNOM PENH, March 22 (AFP)—Cambodia's King Norodom Sihanouk left here Wednesday for renewed medical check-ups in Beijing where he recently underwent treatment for cancer.

"I will return to celebrate Khmer new year with my people," the 72-year-old monarch told reporters at the airport referring to the April 14-16 national festivities.

Local English-language paper the CAMBODIA DAILY reported that the king had written to his biographer Julio Jeldres expressing concern about a recent deterioration in his health.

"In January and February, I was in grand form," the king said, but added that in March "I felt more weak and my activities tired me out."

King Sihanouk— who previously said he was in fine health after undergoing chemotherapy sessions last year in Beijing—said it was now unclear whether the disease had returned.

The king also maintains a residence in the Chinese capital where he spends much of his time.

Ranariddh on Outcome of Paris Aid Meeting

BK2303004795 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 20 Mar 95

[Statement by Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, to reporters at Pochentong International Airport in Phnom Penh on 20 March—recorded]

[FBIS Translated Excerpt] First of all, I would like to thank all of you, both national and international correspondents, for having come to welcome me on my return from working and official visits to Copenhagen in Denmark, Paris in France, and Seville in Spain. [passage omitted]

After Copenhagen, I and the second prime minister led a high-level delegation to attend the third International Committee on the Reconstruction of Cambodia conference in Paris. As you have perhaps already listened to my interview with the Voice of America, I just want to say now that a great success was achieved at the conference for the Cambodian nation and people—the success is not for the two prime ministers, but for our entire nation, our entire country.

As you are already aware, some so-called Cambodian persons have written to various people all over the place asking that they abstain from helping our nation. Nevertheless, the Paris conference provided us with more aid than we expected, more than we need. In sum, in their statements—except for Australia and Britain—no country raised the issues you have already been aware of, such as human rights abuses, repression, corruption, and so on. On the contrary, some countries, like France and Japan, which gave larger amounts of aid, did not talk about those issues at all. Somehow, all of them, including Australia and Britain, praised the Royal Government for its achievements in national reconstruction and economic rehabilitation. They all commended us.

The IMF also voiced support for the economic situation in our kingdom. The agency said in its final statement that it fully endorsed, not just supported, the economic situation in our Cambodian kingdom. As for the World Bank, the Asian Development Bank, and the UN Development Program, they all also sided with the Royal Government. I would like to say in brief that all of the countries expressed support for us and commended us.

It has been asked if there was any pressure on the Royal Government before the aid was granted. I wish to make it clear that there was no precondition; no country imposed preconditions. Why? First, because no preconditions were raised in bilateral talks or mentioned in their speeches. Second, who do they want to help? They do not want to help Ranariddh or Hun Sen but the Cambodian people. Those countries have helped the Cambodian people since the peace agreement process. Realizing that the United Nations has failed in many areas, with the exception of Cambodia, and that political stability depends on national and social development, they have decided, even before convening in Paris, to help Cambodia. So you are informed that no country imposed preconditions on our delegation or Royal Government at all. This is the first point I want to make.

Second, it has been asked why the package of aid was not disclosed in Paris? In fact, this is a very simple question, but newspapers always want to dig up everything. I would like to tell you that the fiscal year in Japan and the United States begins in April each year and that the two countries are prohibited by law from disclosing their 1995 and 1996 aid programs to Cambodia. Japan told me that in 1996 it would perhaps give us more than what it has pledged. This is why there was no announcement at the conference. It is impossible for Japan to reveal its aid because the Paris conference was held in March while the fiscal year in Japan will begin in April. Japan could not do so; it is against its internal laws. The journalists, however, did not realize this point; they persistently asked me: Will the donor countries continue to help? Is it true that they will only announce the amount of their aid if Cambodia has done this or that? It is not true at all.

Third, I would like to inform you that we need only $245 million for 1995, but at the conference we were given $430 million. The amount is double our need and much more than we require. And in 1996, another amount of $870 million was also pledged, as I remember. In total, an amount of $1.3 billion was pledged for 1995 and

1996. As we had only obtained $870 million in Tokyo, the pledge of $1.3 billion in Paris represents a great success for the Royal Government and our entire nation. This is very concrete. No one wanted to listen to those discrediting us. Somehow, the latter fail to remember that the problems do not concern any individual but the relations between states, and that aid is given by one state to another.

The donor countries highly valued our Royal Government's achievements. Moreover, I would like to tell you that they also have their own interests in helping us. They do not exchange aid worth millions of dollars for the sake of the interests of one or two individuals. No one will act like that. Therefore, I would like to say once again that we have scored a great success at the Paris conference.

Now, I want to tell you the last point concerning the conference. We had been given $870 million in Tokyo and we were given $1.3 billion for two years in Paris. Recently, someone has said that the money will again go into the pockets of our leaders. I want to make it absolutely clear that it is not like that.

The aid worth $79 million from Japan and the aid from France and the United States come in the form of technical assistance. In other words, those countries will build roads, bridges, power plants, and everything themselves in Cambodia. They do not allow their money to go into our national budget. For instance, when Japan wants to build a power plant for us, it calls bids for the construction in Tokyo, not here. After that it selects only Japanese firms for the work. Likewise, France, Britain, the United States, and Australia have followed the same process.

We are very happy with that because we don't want to be criticized; we need transparency. The donor countries are allowed to carry out all the work themselves. They plan projects themselves, call bids themselves, and do everything themselves. When the projects are completed, his majesty, if he still here, will go and cut the ribbon; in his absence, the two prime ministers or ministers concerned will go and inaugurate them.

However, there is an exception for the World Bank, which provides us with the (?budget of support). It is said that the World Bank no longer wants to help us. This is not true. I want to announce that the World Bank has given us $80 milion for 1995. The bank manages funds to help our national budget. It has its own representatives at the Economy and Finance Ministry. It controls the funds itself. We are not allowed to do anything ourselves.

As for IMF, it has allocated $40 million to support our riel [Cambodian currency] for two years. The money is not given to us directly; it is used to guarantee the value of our riel.

In sum, the aid we have obtained exceeds our need and is beyond our expectation. The Paris conference has been much more successful than the Tokyo meeting. [passage omitted]

Ranariddh: UN Human Rights Center Not To Close

BK2303084695 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 22 Mar 95

[FBIS Translated Text] Upon his arrival at Pochentong Airport on 20 March, Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, who has just returned from Paris, where he took part in the third International Committee on the Reconstruction of Cambodia conference, told reporters: The UN Human Rights Center in Phnom Penh will not be closed. We have not put pressure on it to close. However, the prince said: When a country has this kind of center, it means that its conditions are abnormal. Many countries do not have such a center, so why should Cambodia be an exception?

The prince stated emphatically that the Royal Government has not put pressure on the UN Human Rights Center in Phnom Penh to close. However, if the agency's mandate expires, we just want it to close according to its mandate. We would like thank the center for its assistance.

On the relations with the UN Human Rights Office after the expiration of the UN Human Rights Center mandate, which will not be renewed, Prince Norodom Ranariddh said: We are able to contact the UN Human Rights Office in Geneva (?as other countries).

Commenting on the report by Micheal Kirby, special representive of the UN secretary general in charge of human rights in Cambodia, during his recent visit to the country, which says that government troops have threatened MPs, the prince said those MPs should write and tell him which soldiers have menaced them—Ke Kimyan or Tea Banh? They should state this clearly, not just spread slander. They should clearly point out who those people are—Ranariddh, Hun Sen, or any other soldier. The prince said calumny should not be uttered against the nation; this is no good.

The prince once again said: We have no plan to close the UN Human Rights Center in Cambodia as has been reported. The press has claimed that the government intends to close the center.

Khmer Rouge Comment on Government's 'Debacle'

BK2303073495 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 20 Mar 95

["Press communique" issued by the Secretariat of the Provisional Government of National Union and National Salvation cabinet on 20 March; place not given]

[FBIS Translated Text] The cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held its weekly working session on Monday, 20 March, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

I. The cabinet examined the situation of our nation and people's ongoing national salvation struggle, in which the old and new aggressors as well as their puppet lackeys are agonizing and rotting through and through.

Politically and socially, the two-headed government is plummeting toward rockbottom. Everywhere the people oppose, reject and resolutely fight against them. The Cambodian nation and people have already passed judgment on them and are waiting for a chance to crush them because they continue to fan the war; they allow communist Vietnam to commit genocide against Cambodians; they have sold out and murdered the nation; and they are extremely corrupt, fascist, cruel, and savage.

Economically and financially, they have nothing left. They are so destitute that they do not even have rice to eat and are forced to go around begging for leftovers from other people. But no one gives them anything, except blows on their heads. The recent conference to collect leftovers in Paris painstakingly organized by the villainous alliance to give their stooges some relief turned out to be a total failure.

Diplomatically, they are extremely isolated and have won a stinking notoriety. People in the region, the world, and everywhere else have exposed and denounced them as the merchants of war and as being corrupt to the bone. Only a few warmonmgers still give the two-headed government some hopeless support. Otherwise, they get nothing but scorn and contempt from other people.

The communist Vietnamese, the alliance, and the two-headed government have gambled their last penny on the military field since the beginning of the 17th dry season. However, they have gained nothing but defeats. All their campaigns have flopped. They have suffered repeated thrashings on the north and northwest Cambodian fronts. There they have experienced a complete disaster. The 17th dry season is now more than five months old and not only have they been unable to harm the nation, people, and Democratic Kampuchea but they have been dispersed and are collapsing piece by piece. Nothing can stop them from disintegration. The civilian administrators in the villages and communes are also being smashed and removed one after another. Both the para [formerly non-communist anti-Vietnamese] forces and the communist Vietnamese puppets have also been trouncced and are collapsing. Less than 10 percent of their army is on its feet; their troops are demoralized and are waiting for a chance to shoot at and kill their commanders before running away from the battlefield. Their tanks, artillery pieces, and small arms have proved ineffective—one after another, they are being consumed by flames, disabled, or blown up. What is most important is that they have no troops to fight with; they have no troops to fight with whatsover.

At the end of this 17th dry season, the situation of the communist Vietnamese puppets, the alliance, and the two-headed government is one in which they are facing a glaring, serious debacle in all aspects and on every front. Everybody has been talking about it; everybody has known it and heard about it. This time they are experiencing a serious debacle because they have suffered collapse in every field—political, economic, financial, and social, etc.

If after making so many painstaking efforts, they still suffer such a stunning thrashing during the dry season, what wholesale debacle will they experience during the 17th rainy season? How completely will the para forces and communist Vietnamese puppets be crushed? If these forces disintegrate both politically and organizationally, how radically will the villainous alliance's arch-criminal strategy of conniving with communist Vietnam to undermine peace and national reconciliation be obliterated?

Such is the problem, the dilemma, that is giving them a splitting headache. However, as imperialists who are bent on eating the flesh and sucking the blood of the poor people in the Third World, the warmongers will not concede defeat without a struggle. However, the harder they try, the more serious their defeat will be, and the more inextricably will they be bogged down in the quagmire until they draw their last breath and die.

The entire Cambodian nation and people resolutely refuse to let communist Vietnam and the Vietnamese nationals swallow up Cambodia. The Cambodian nation and people resolutely refuse to let the warmongers do as they please. The entire Cambodian nation and people have risen up and waged a struggle and will continue to struggle persistently to save the nation and race from being annihilated like Champa and Kampuchea Kraom. The strong fighting will of our Cambodian people to save and perpetuate the nation and race and our correct fighting line constitute an extremely powerful and effective weapon that nothing can vanquish.

II. In a situation in which the national and racial salvation struggle of our nation and people is developing successfully in all fields and sectors, it is imperative for all of us, including the peasants in the countryside, the population of Phnom Penh, the students, functionaries, journalists, politicians, and overseas Cambodians, to heighten their militant heroism and fight even more tenaciously in all ways and everywhere to together quickly and permanently end the war of communist Vietnam, the war of the alliance, and the war of the two-headed government.

In the countryside, it is imperative to continue smashing and removing the civilian adminstrators in a more in-depth manner, preventing the two-headed government from implanting moles and cells among our people.

In Phnom Penh, the people are urged to continue confronting the enemies on all issues, including national, social, and livelihood issues, to cause them utter confusion and disarray right in their den.

Abroad, the people are urged to continue opposing the war so that no money or arms can be supplied to the two-headed government, further drying up their resources.

In particular, the fraternal two-headed soldiers who have been drafted through fascist means and sent to fight and die in the enemies' place are called upon to continue rising up, mutineering, and turning their guns against the cruel commanders and to continue deserting and returning home. If all of us do that consistently and repeatedly, over and over again, we will surely end the war; we will surely achieve genuine national reconciliation; we will surely bring about peace in the not too distant future so that our people can have time to work for a living in peace, normalcy, and prosperity. Only by doing this will we be able to save and perpetuate our nation and race.

Monday, 20 March 1995;
The Secretariat of the PGNUNS cabinet

Indonesia

UN Secretary General Queried on Timor Talks

BK2303050195 Jakarta ANTARA in Indonesian 1919 GMT 22 Mar 95

[FBIS Translated Text] Jakarta, 22 Mar (ANTARA)—The Republic of Indonesia has expressed dissatisfaction over the UN Secretary General sending invitations to the candidates for the upcoming AETD (All-Inclusive Intra-East Timorese Dialogue) dialogue without prior consultation.

In his written reply to the Parliamentary Commission I [Roman one] working meeting held in Jakarta on Wednesday evening [22 March], Foreign Minister Ali Alatas said: "The Government has sent a note to the UN Secretary General expressing regret over the invitations extended to the candidates to the AETD without prior consultations and considers such this an attempt to make the step a 'fait accompli'."

The UN Secretary General's action was not in accordance with the agreement reached at the previous meeting of the foreign ministers of Indonesia, Portugal and the UN Secretary General held in Geneva on 9 January. The agreement stipulates that the UN Secretary General would only have 'to facilitate' [preceding two words in English] and make the necessary preparations for the upcoming AETD meeting.

He said: "According to the agreement, the UN Secretary General will not organize nor make any personal decisions with regard to the candidates to the AETD meeting."

The fifth round of tripartite talks held previously in Geneva, among other things, recorded the progress achieved by the two sides and the UN Secretary General's offer to act as the facilitator of the AETD.

Alatas said, Indonesia, however, conditionally agreed that the meeting should not run parallel with the tripartite meeting held between the two foreign ministers and the UN Secretary General.

Apart from this, consideration should be given to the decisions taken at the previous meeting in London which, among other things, decided that no political issues or issues on East Timor's political status will be further discussed because the upcoming AETD meeting is only a follow-up to that meeting.

He said: "The UN Secretary General accepted the decisions and also agreed to facilitate the upcoming AETD meeting as was recorded at the meeting held in London on 9 January."

Alatas said, with regard to Indonesia's dissatisfaction, the UN Secretary General has sent a letter notifying that Indonesia's representation would be increased by another three participants and also made an offer to reschedule the upcoming meeting to a later date, if deemed necessary.

Prior to this, the AETD was scheduled to be held from 24-26 April 1995 in Schloss, Leopoldskron, Austria.

Alatas Comments on IMET Program

BK2303122395 Jakarta ANTARA in Indonesian 0546 GMT 23 Mar 95

[FBIS Translated Excerpt] Jakarta, 23 Mar (ANTARA)—Foreign Minister Ali Alatas has reiterated that Indonesia will not beg for or appeal to the United States for the resumption of the International Military Education and Training (IMET) program to Indonesia.

"Like what the Armed Forces Commander Feisal Tanjung said, the IMET program is the United States' problem, not ours. We just wait and see. If they resume the program, it is not wrong for us to accept it, but we will not beg for it. It is up to them," Alatas said at the working meeting with members of the Parliamentary Commission One [dealing with foreign affairs and national security] in Jakarta early Thursday.

Responding to a question from Toni Sugiarto of the Armed Forces faction, the foreign minister said Indonesia considered the matter as something to be decided by the United States. [passage omitted]

Alatas said only a few congressmen were complicating the resumption of the IMET program and the U.S. Government was defeated narrowly on the vote. Now they are beginning to change their minds and realize it is useless to suspend the IMET, he said.

"They began to realize that it was not advantageous to them, and now there are voices supporting the program. The indications are that the IMET will probably be resumed under the new Congress next year," he said. [passage omitted]

Commenting on the Philippines-Singapore relationship, Alatas said as Indonesia pays serious attention to relations within the ASEAN framwork, it deeply deplores the current tension between Singapore and the Philippines.

He said that so far indonesia could not do much to mediate the issue other than deeply deploring the situation and hope that the tension would ease immediately. [passage omitted]

Reportage on Austrian President's Official Visit

Murdiono on Suharto Meeting

BK2203043395 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 20 Mar 95

[FBIS Translated Text] Briefing newsmen on the outcome of the talks between President Suharto and the visiting Austrian President, Thomas Klestil, Minister/State Secretary Murdiono said even though it was a preliminary meeting, the two leaders had already discussed substantial issues.

Speaking to newsmen two hours after accompanying President Suharto to send his guest to the State Guest House in Jakarta today, Murdiono said President Suharto told his guest that Indonesia had embarked on the Second 25-Year Development Master Plan which would required huge investment.

Murdiono said this year the amount of foreign investment received by Indonesia had reached between $23 and $24 billion.

[Begin Murdiono recording] The government's debureaucratization drive has made it possible for Indonesia to receive this huge amount of investment. Our economic stability, national stability and growth are encouraging foreign investment. President Suharto explained to Klestil that foreign investors can take advantage of the situation to relocate their industries to the country.

Thomas Klestil said that this is his first visit abroad since Austria joined the European Union. [end recording]

Responding to journalists' questions, Murdiono said that the government had anticipated the weakening of the U.S. dollar against the yen and there is no need to panic over it.

Talks Focus on International Issues

BK2203024795 Jakarta ANTARA in Indonesian 1230 GMT 21 Mar 95

[FBIS Translated Excerpt] Jakarta, 21 Mar (ANTARA)—Austria supports Indonesia's latest efforts to seek a solution to the conflict in the former Socialist Federal Republic of Yugoslavia, especially since other measures have failed to yield any positive results.

Austrian President Thomas Klestil and Minister/State Secretary Murdiono briefed journalists on the issue of seeking a settlement to the conflict at the Merdeka Presidential Palace today following the talks between Klestil and President Suharto.

"Austria welcomes and supports Indonesia's move to settle the conflict in Bosnia-Herzegovina," Murdiono told journalists during a briefing on the outcome of the 90-minute talks between the two leaders. [passage omitted]

Murdiono said that the talks between the two presidents centered mainly on international issues because there is basically no political problem between Indonesia and Austria.

Speaking on the European Union, of which Austria has been a member since 1 January 1995, Murdiono said Indonesia felt that it was not proper for European countries to link human rights with their aid to other countries, including Indonesia.

In a separate meeting, Klestil and other Austrian officials called for Indonesia's support to Austria's bid to become the venue for the signing of an accord on the total banning of nuclear testing, Murdiono said.

Murdiono said: "In principle, Indonesia has no objection to Austria's intention." [passage omitted]

Speaking to journalists, Klestil expressed his appreciation to the Indonesian people, especially the Muslims, for the absence of any extremists or fundamentalist groups in the country. [passage omitted]

Suharto Hosts Dinner

BK2103020595 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 21 Mar 95

[FBIS Translated Text] President Suharto has called on Indonesian and Austrian private entrepreneurs to play a more active role in improving bilateral ties, particularly in the economic and trade fields, because of the existing vast opportunities in the country. The 1994 bilateral trade volume was estimated at U.S.$283 million, with Indonesia currently experiencing a trade deficit.

Speaking at the dinner hosted in honor of visiting Austrian President Thomas Klestil at the Istana Negara [state palace] last night, the head of state expressed the hope that Austria would not practice European centric policies after joining the European Union. The head of state also believed that Austria would continue to widen its foreign relations, particularly in the Asian region.

President Suharto considered that Thomas Klestil's first visit to Southeast Asia—in particular to Indonesia—after Austria's joining of the European Union showed the Austrian president's awareness of the importance of the Southeast Asian and Asian regions.

Accompanied by Large Econmic Group

AU2103154095 Vienna Oesterreich Eins Radio Network in German 1100 GMT 21 Mar 95

[Alfred Schwarz report]

[FBIS Translated Excerpt] [Passage omitted] The growth rates on Far East markets have attracted the attention of the Austrian economy. Never before has such a large economic delegation traveled with an Austrian president: 80 representatives of Austrian firms. Foreign Minister Mock and Transportation Minister Klima are also accompanying him. Today agreements on orders valued at 3.8 billion schillings were concluded with the Indonesians. A hospital will be built and Austrian firms will build railroad bridges in Indonesia. Complete cellulose plants will also be delivered by Austrian firms. It is intended to conclude further projects tomorrow.

While President Klestil's visit will certainly result in economic progress, the question of human rights in Indonesia is far more problematic. [passage omitted]

President Klestil says that in his talk with Indonesian President Suharto he did not let the question of human rights drop:

[Begin Klestil recording] In a talk with the president, I pointed out that in Austria special importance is attached to human rights. I mentioned East Timor and referred to the dialogue that will be organized in Leopoldskron in Salzburg in April. I expressed the hope that dialogue will produce results. Thus, Austria's position was made clear during the talk. [end recording]

Foreign Minister Mock agreed. A positive economic development would also result in progress in the sphere of human rights, he said. [passage omitted]

Philippines

Ramzi Yusuf Identified as PAL Airliner Bomber

Japanese Police Submit Report

BK2303090795 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 23 Mar 95

[FBIS Translated Text] Formal charges can now be filed against Ramzi Yusuf, a Pakistani national arrested earlier who is believed to be a terrorist. Japanese police authorities have submitted the result of their investigation to the Philippine National Police.

Based on the investigation, the bomb used in the bombing of Philippine Airlines [PAL] Flight 434 last 8 December 1994 and the bomb retrieved from Dona Josefa Building in Ermita, Manila owned by Yusuf were the same.

It will be recalled that the bombing of PAL Flight 434 resulted in the death of a Japanese national.

According to reports, Ramzi Yusuf is a terrorist who arrived in the country to promote violence during the visit of Pope John Paul II.

Among the Japanese authorities conducting the investigation were Superintendent Shigiro Yotoyama, who is a bomb expert, Jun Nakamura, and Senior Supt. Pateshi Iguchi.

Yusuf will be charged with murder, multiple counts of attempted murder, aviation security violations, and illegal possession of firearms and explosives.

Police To File Charges

OW2303095695 Tokyo KYODO in English 0908 GMT 23 Mar 95

[FBIS Transcribed Text] Manila, March 23 KYODO—Philippine police said Thursday [23 March] they have enough evidence to file criminal charges against an international terrorist for an in-flight explosion aboard the Japan-bound Philippine Airlines (PAL) jet last year.

A Japanese passenger, Haruki Ikegami, was killed when a device exploded aboard a PAL Boeing-747 over Japan on Dec. 11, but the pilot managed to make an emergency landing at Naha Airport in Okinawa Prefecture on the southern tip of the Japanese archipelago.

Chief Superintendent Job Mayo, head of the Philippine National Police Directorate for Investigation, told a news conference that the police are filing possible charges against Ramzi Yusuf, the prime suspect in New York's World Trade Center bombing.

Mayo said the charges may include murder, illegal possession of explosives and acts inimical to civil aviation.

Mayo and senior police intelligence officials spent days exchanging notes with Japanese law enforcement officials, who arrived here over the weekend to shed light on the PAL bombing incident.

Mayo said the Japanese official report on the investigation will help strengthen the criminal cases against Yusuf.

The Japanese police were the first to examine the plane when it landed in Okinawa. The Japanese probers also managed to conduct interviews with almost all of the more than 270 passengers and crew members of the plane.

But a senior Philippine police investigator said the Japanese found no residue that would establish the kind of explosive used in the PAL blast.

"The Japanese police only found fragments of the fuses, battery, timing device and wiring used in the explosive that suggest it was of high quality," the official said.

Police Cite Evidence

OW2303133795 Tokyo KYODO in English 1112 GMT 23 Mar 95

[FBIS Transcribed Text] Manila, March 23 KYODO—A police body looking into the Philippine Airlines (PAL) explosion last year which killed a Japanese passenger has recommended the filing of criminal charges against international terrorist Ramzi Yusuf.

In an eight-page official report, Superintendent Samuel Pagdilao of the Philippine National Police Criminal Investigation Service said they have clear evidence that warrants the filing of charges against Yusuf for murder, illegal possession of explosives and acts inimical to civil aviation.

According to the report, the investigating committee has established that the bomb was planted inside the life vest pocket under seat K of row 26 of the aircraft.

The report said two Cebu-bound passengers who boarded the plane from Manila positively identified Yusuf as the passenger seated on seat F in row 35, the seat assigned to a passenger named Amaldo Forlani.

The report said Yusuf used the name Amaldo Forlani when he bought the plane ticket from the travel agency in suburban Manila. Federal Investigation Bureau (FBI) laboratory experts concluded that "some of (Forlani's) handwriting features are in agreement" with those of Yusuf.

A cabin attendant told probers that Forlani first took seat K in row 26, where the explosive was planted, and then transferred later to seat K of row 29 before disembarking in Cebu.

"The FBI laboratory experts, likewise, conclude that the same person or persons using like components and construction techniques made the improvised explosive devices (IED) recovered in the Philippines, in Pakistan (where Yusuf was arrested in February), and the IED that exploded on PAL Flight 434," said the report.

A muslim radical who turned himself in to police claimed he assisted Yusuf in plotting to kill Pope John Paul II in Manila last January.

Edwin Angeles, a member of the militant Abu Sayaff group, told police that Yusuf's group was planning to kill the pontiff by using a suicide bomber.

According to the plan, the bomber, either a Filipino or a foreign national, would carry a bomb and act like one of the many faithful who want to go near the pope.

Linked to Abu Sayyaf Group

BK2303110695 Quezon City ABC-DWET Television in Tagalog 1000 GMT 23 Mar 95

[FBIS Translated Text] The Philippine National Police [PNP] today accused Ramzi Yusuf of bombing the Philippine Airlines plane bound for Japan last year. PNP Chief Superintendent Job Mayo said the government has sufficient evidence to file charges against Yusuf, who is also a suspect in the World Trade Center bombing in New York.

The officials have confirmed that Yusuf's group is connected with the Abu Sayyaf group here in the Philippines.

Yusuf will be charged with murder, multiple counts of attempted murder, illegal possession of explosives, and commission of acts inimical to civil aviation.

Yusuf is currently in the United States where the hearing on the World Trade Center bombing is being held.

Military Reports PRC Navy Activities in EEZ

BK2203142195 Manila BUSINESS WORLD in English 20 Mar 95 p 14

[FBIS Transcribed Text] The military yesterday urged foreign affairs officials representing the government at the RP [Republic of the Philippines]-China talks on the Panganiban Reef incident to immediately call Beijing's attention to the continued activities of the Chinese Navy in the country's 200-mile exclusive economic zone (EEZ).

A ranking military official said members of the delegation from the Department of Foreign Affairs now in Beijing should bring out in the early part of the talks the monitored movement of Chinese warships towards Palawan Province.

Recent reports from the Armed Forces of the Philippines (AFP) Western Command [Wescom] said two battleships guarding Chinese structures in Panganiban some 130 miles from Quezon, Palawan, were seen near Sabina Reef which is only 70 miles off Palawan.

China has earlier refused to pull out from their present location within the EEZ by justifying the move as a way of asserting its rights over the whole of the South China Sea.

Reports submitted by the Wescom to AFP headquarters said more and more Chinese fishermen are seen near Jackson Atoll, Sabina Reef and Half Moon Reef, located less than 100 miles from Palawan.

AFP chief of staff Gen. Arturo Enrile said the fishermen are being protected by Yukan and Dashi types of warships sailing within the EEZ.

About eight battleships pulled out last January but were reportedly just outside the 200-mile radius.

Reportage on PRC Presence in Spratly Islands

Monitoring Vessels Continues

BK2303105795 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 23 Mar 95

[FBIS Translated Text] The Armed Forces continues to monitor the movements of Chinese vessels cruising in

Panganiban Reef. This was revealed by General Arturo Enrile, Armed Forces chief of staff. This follows after the Navy reported two more ships spotted in the area.

Enrile believes that the Spratlys dispute can be resolved through the ongoing dialogue between the Philippines and China.

[Begin Enrile recording in English] What we see there now actually are more of fishing vessels. The original supposed to be Chinese Navy vessels are still there in the area. So, (?right) now, we are just waiting for whatever will be the outcome of the talks and then we'll take [word indistinct] from there. [end recording]

PRC 'Markers' Destroyed

BK2303112695 Quezon City ABC-DWET Television in Tagalog 1000 GMT 23 Mar 95

[FBIS Translated Text] Today, General Arturo Enrile, Armed Forces chief of staff, said the military has destroyed markers installed by China in some islands in the Spratlys. According to Enrile, the markers were put there by China after the Philippines discovered its intrusion of Mischief Reef last January. Earlier, it was reported that China has placed markers in Jackson Atoll and Half-Moon Reef.

Enrile said that as of now, some of China's vessels are still positioned in Mischief Reef. He added that the military will continue to patrol the area to prevent foreign intrusion into Philippine territory.

[Begin Enrile recording, in English] We will continue to patrol the area and continue to prevent the incursions of foreign elements, including foreign fishermen, in our territorial waters. But I guess you must understand that the waters there is just too big. [end recording]

Enrile Reports on Markers

BK2303121295 Hong Kong AFP in English 1136 GMT 23 Mar 95

[FBIS Transcribed Text] Manila, March 23 (AFP)—The Philippines said Thursday it had demolished several markers and structures put up by China on Philippine-claimed reefs and atolls of the disputed Spratly Island chain in the South China Sea.

The announcement triggered an immediate reaction by China reaffirming its claim over the disputed islands, which are believed to be rich petroleum deposits.

"What we are doing here is to demolish as much as we can," Philippines armed forces chief General Arturo Enrile told reporters, adding that territorial markers installed by the Chinese were also destroyed last week by the Philippine military in the area.

In Beijing, foreign ministry spokesman Shen Guofeng reacted to the Philippines' actions, saying: "The Wufang (Jackson Atoll) reef and Banyun (Half Moon) reef belong to the Chinese territory since ancient times."

Shen said that "the Chinese side has not taken any more action in recent years" to strengthen its claim on the archipelago, adding that "what has been reported is not true."

"The Chinese side maintains that there is no crisis in the Nansha (Spratly) islands," he said.

The announcement by Enrile followed the end of talks in Beijing Wednesday between China and the Philippines on the issue of the Spratlys, which are also claimed in part or full by Taiwan, Vietnam, Brunei and Malaysia.

The bilateral talks followed a diplomatic uproar over the islands last month after Manila accused Beijing of building bases and despatching naval vessels to the Philippine-claimed Mischief Reef.

Beijing later said the structures were built by low-level functionaries without the knowledge of the central government.

The Philippine military later said stone markers with Chinese inscriptions had been discovered on Jackson Atoll and Half Moon Reef, and that scaffolds had been discovered on Sabina Reef, which lies within the Philippines' 200-mile (320-kilometer) exclusive economic zone.

Enrile said Filipino troops continued to patrol the reefs and would demolish any markers put up by rival claimants.

He added that he had yet to receive details of the talks with China from the Foreign Department but said the military would continue "to patrol the area and prevent incursions of foreign elements into our waters."

Earlier, China reasserted its claim over all the Spratlys, particularly Jackson Atoll and Half Moon Reef, which are just 60 miles (96 kilometers) from the southwestern Philippine island of Palawan.

"Our stand on the matter, especially those areas that are near to us, is that we must be able to protect these," Enrile said.

The row over Mischief Reef prompted the Philippine congress to ratify a 50-billion-peso (two-billion-dollar) modernization plan for the aging Philippine military.

Ramos: Singapore Row Not To Affect ASEAN

BK2303035595 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 22 Mar 95

[FBIS Translated Text] President Ramos defended the exercising of human rights in a flag-burning incident as a reaction to perceived injustice in the hanging of Flor [maid executed in Singapore]. In this connection, the president started to ban the deployment of workers to Singapore. The president will send two C- 130 planes in April to fly home the Filipino OCW's [overseas contract workers] in Singapore who want to come home. Further, President Ramos canceled Armed Forces Chief General

Arturo Enrile's trip to Singapore and the scheduled joint naval exercise with Singapore this coming June. The president believes, though, that the overall relations of the Philippines with other members of the ASEAN [Association of Southeast Asian Nations] will not be affected, especially in trade.

[Begin Ramos recording, in English] We want to make sure that this incident does not affect the brotherhood and solidarity that now exists within ASEAN. [end recording]

Governors' League Joins Anti-Singapore Campaign

BK2203154395 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 21 Mar 95

[FBIS Translated Text] Governors are joining the movements protesting the fate of Flor [executed maid] in Singapore. The Governors' League of the Philippines expressed support for the campaign to boycott Singaporean products. The move was headed by Governor Rodolfo Pagdanganan of Bulacan.

According to Pagdanganan, they will put up streamers to declare that they do not welcome Singaporeans in their provinces. He reminded the people of Bulacan, however, to not bring the protests to the level of physical harm against Singaporeans. On the other hand, the president warns of the adverse effects of any violence be inflicted on any Singapore national in the country. According to the president, violence against Singaporeans could result in the same treatment for 65,000 Filipino overseas contract workers in Singapore.

Radio Reports Recall of Singaporean Ambassador

BK2303032995 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 22 Mar 95

[FBIS Translated Text] Singapore retaliated against Philippines' move of recalling its ambassador to Singapore by also recalling its ambassador to the Philippines, Tan Seng Chye. According to the Singapore Foreign Ministry, they had been disturbed by the drastic turn of events and had therefore decided to recall their envoy to the Philippines. Meanwhile, an official in the Foreign Maids Employment Agency Association, which oversees 170 employment agencies, said that they were going to hold an emergency meeting in reaction to President Ramos's announcement of the suspension of the deployment of Filipino OCW's [overseas contract workers] to Singapore. Filipino maids in Singapore are estimated to number 75,000.

Thailand

ASEAN To Reactivate Financial Swap Network

BK2303154395 Bangkok THE NATION in English 23 Mar 95 pp B1, B2

[FBIS Transcribed Text] The Bank of Thailand announced yesterday that central banks in six Southeast Asian nations will reactivate the Asean Swap Arrangement—the financial network set up in 1977—as a counter attack to unwarranted major capital outflows and currency speculation in the region.

The members of the Asean Six will support one another with foreign exchange back-up capital when any of the members experiences financial turbulence which is not of their own making—as witnessed in the aftermath of the Mexican peso crisis.

The six comprise the central banks of Thailand, Indonesia, Malaysia, the Philippines, Singapore and Brunei. The move followed Tuesday's announcement that the six central banks have also agreed to set up a hotline to exchange information during periods of international financial crisis.

"The network will also help us learn and exchange our economic figures to handle situations in advance," said Wichit Suphinit, Bank of Thailand's governor.

Established almost two decades ago, the Asean Swap Arrangement, which has been idle, is a pact between the six governments of the Asean countries, who consented to pool an undisclosed amount of money to defend their currencies during times when members run into a cash shortage.

Money from the arrangement will be available as credit lines to supply countries which need to defend their currencies during financial turmoil .

According to Wichit, the central banks will have a greater role to play in the Asean Swap Arrangement. The fund will now keep a close eye upon the capital flows, which usually move swiftly in and out during turbulent times.

Despite its long establishment, the Asean Swap Arrangement has been mostly inactive. The network arranged a credit line to an Asean member country once, in 1979, to bail it out of financial hardship at that time.

But the amount of money was trivial and the credit was extended for three months only, Wichit said.

Although the governor failed to identify the country, it was later reported that the money went to the Philippines. The last time that the Asean Swap Arrangement was at work was in 1984.

To re-activate the arrangement, Thailand needs the Cabinet's approval before allocating funds to the arrangement. Other Asean countries also need either their Cabinet or Parliament to give the go ahead.

Wichit also said the Asean Swap Arrangement works the same way that the International Monetary Fund (IMF)'s General Arrangements to Borrow (GAB) works.

Established in 1962 by the Fund and the G-10 industrial countries group, the GAB will offer additional credit lines to member countries to supplement their ordinary, quota-based resources.

The GAB was designed in a way which helped the IMF deal with growing strains on its balance of payments since the United States and the United Kingdom, its two major funding sources, had difficulty allocating funds to the IMF.

Governor Wichit added that he is scheduled to meet with the Bank for International Settlements (BIS) in Switzerland on April 6-7, 1995. The BIS, together with the 10 European Union countries as well as Hong Kong, Korea, Japan, Taiwan and the Asean Six are to meet to discuss how they dealt with the financial crises during the past few months.

"This is to share experience in order to come up with better measures and cooperation in the future," he said.

Burmese 'Pirates' Seek Ransom for Seized Boats

BK2303103595 Bangkok THE NATION in English 22 Mar 95 p A8

[FBIS Transcribed Text] Ranong—Twelve heavily-armed pirates have seized four Thai trawlers fishing in Burmese territorial waters and demanded that the ships' owners pay millions of baht in ransom, sources said yesterday.

The pirates, believed to belong to minority groups in Burma, contacted the ship owners after the seizures and demanded they pay [Thai baht] Bt1,200,000 for the release of each ship. There were no reports about the detained crews, the sources said.

About 15 trawlers operating in Burmese territorial waters were reportedly attacked by pirates during the past two months.

The pirates refuse to negotiate, claiming they need the money to fund political movements against the Burmese government.

Some 2,000 Thai trawlers fish in Burmese waters and each is believed to pay extortion money of Bt30,000 to the pirates. The amount will increase to Bt120,000 when the trawlers are allowed to fish again in May, the sources said.

Capt [Captain] Alongkon Sotkhomkham, deputy chief of company 415 of the Border Police, said the ship owners failed to notify the authorities when their ships were seized for fear that they would be prohibited from further fishing in Burmese waters.

He said the owners personally contact the pirates and pay the extortion money as demanded. He vowed to launch a crackdown against the pirates if they encroach into Thai waters.

Krasae Views Philippines-Singapore Feud

BK2303140195 Bangkok THE NATION in English 23 Mar 95 p A3

[FBIS Transcribed Text] Foreign Minister Krasae Chanawong yesterday expressed concern over the current feud between the Philippines and Singapore concerning the execution by hanging of a Filipino maid in Singapore last week, but hoped the dispute would calm down in favour of the Asean spirit of cooperation.

"As an Asean neighbour, we view the situation with concern, but we also believe that the situation will calm down, (in order that) it does not affect Asean as a whole," Krasae said.

His comments came as President Fidel Ramos threatened to sever ties with Singapore if evidence came to light to prove that the maid was in fact innocent.

While treating the row as an internal affair between the two Asean countries, Krasae commented that severing ties would be at the expense of trade cooperation between the two countries and would unnecessarily benefit a third party. He did not elaborate.

In a stronger statement, Deputy Foreign Minister Surin Phitsuwan said countries should respect the laws and sovereignty of fellow countries.

Surin, however, said he hoped President Ramos would be able to succeed in persuading Filipinos to think reasonably in terms of the long-term bilateral relations between the two countries.

Five years ago Thailand was also locked in a dispute with Singapore over the caning of Thai workers convicted on criminal charges. The incident prompted a protest by the Thai government, resulting in a decrease in the number of strokes the workers received.

U.S. To Restore Trade Privileges for Exports

BK2203155395 Bangkok BUSINESS DAY in English 22 Mar 95 p 3

[FBIS Transcribed Text] The American government has promised to restore trade privileges on Thai export products to its markets following the enactment yesterday of Thai laws to protect international property rights.

The disclosure came from the office of Thailand's Deputy Prime Minister, Dr Suphachai Phanitchaphak, but Prime Minister Chuan Likphai yesterday also confirmed Thailand was negotiating with the United States to overturn its decision to withhold trade privileges.

The privileges, granted under the General System of Preferences (GSP), were removed on 22 products last month. The Clinton administration said then that delays in the passage of Thai copyright laws were behind the action.

Deputy Commerce Minister Chaiyot Sasomsap asserted that the United States would no longer use the copyright issue as an excuse to impose trade restrictions on Thailand. "Doing so will tarnish US credibility," he said.

Mr Chaiyot further revealed that the United States might consider an extension of GSP privileges on certain Thai products. He said that the United States Ambassador to Thailand had informed him about US Congress plans to revise the GSP list.

The new copyright law contains an amendment to protect computer software—a major part of US demands for copyright protection.

Speaking to reporters after a cabinet meeting yesterday, Prime Minister Chuan said that the new copyright law would give protection to Thai inventors. "Most countries all over the world have already enacted this law," he said.

Mr Chuan said he could not predict whether the law would produce a flood of prosecutions through the criminal courts, but asserted that it would assert the intellectual property rights of Thai copyright holders.

Unscrupulous copiers of brandname products would be driven from business, he added.

Addressing concerns that the law would harm education, the prime minister said the educational sector would be helped by exemptions for certain educational intellectual properties.

Shan Say Fighting Threatens 'Growth Quadrangle'

BK2303132595 Bangkok BANGKOK POST in English 23 Mar 95 pp 1, 2

[FBIS Transcribed Text] Mae Sai, Chiang Mai—Shan State National Congress chairman Sao Gan Gede yesterday warned that Rangoon's continuing suppression drive against the Shan forces would disrupt development of the so-called Growth Quadrangle region which encompasses the borders of Thailand, Laos, Burma and China.

"If Burmese government troops come to our home with violent means, we will respond in kind to protect ourselves. We are sorry for Thailand, China and Laos that they will also suffer as a result," said the chairman in an-interview.

He disclosed that the Muang Tai Army (MTA) soldiers' commando-style attack against Burmese soldiers at Tachilek on Monday had three purposes:

—To retaliate against Burmese government troops who attacked the Shan village of Tambon Phu Luang on March 16, which left scores of civilians dead and wounded.

—To warn the Burmese Government that the MTA fighters have the capability to strike at Burmese forces any time and any where they want.

—To demonstrate to Karen National Union rebels that they are not alone in the struggle against the military junta in Rangoon known as the State Law and Order Restoration Council [SLORC].

—At least three MTA fighters and more than 10 Burmese soldiers were killed in action in Tachilek township. The gun-battle lasted more than four hours and also claimed the lives of some civilians caught in the crossfire.

The Shan leader said the bulk of the Burmese troops in the area did not rush to the battle to engage the Shan rebels, staying where they were because they expected another surprise attack from a different direction. "We are also waiting for them," he added.

Echoing Thailand's offer to help coordinate peace talks between the warring factions in Burma, Sao Gan Gede said the MTA and the Shan State National Congress are ready to hold talks with the SLORC.

He said peace talks with the SLORC would be possible if China and Laos also helped in the mediation.

Meanwhile yesterday, about 200 Burmese refugees, mostly Shans, were driven back into Tachilek by Thai authorities.

The refugees, with their belongings, were trucked to the border where they were told to wade across the Mae Sai River to Tachilek.

BANGKOK POST reporters who were at the scene reported that after the departure of Thai security forces, many of the refugees returned to Thailand by wading across the river.

More than 1,000 refugees fled to Mae Sai District during and after Monday's fighting.

Several refugees expressed reluctance to return home fearing that MTA troops would strike again.

"No one is going back," said Michoo who swam across the Mae Sai River with her three-year-old son on her back during Monday's battle.

Vietnam

Assembly Committee Views ASEAN Membership

BK2303085795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Mar 95

[FBIS Translated Text] During 20-21 March in Hanoi, the National Assembly's External Relations Committee [NAERC] held its regular conference with the attendance of Comrade Nguyen Thi Binh, vice president; Comrade Dang Quan Thuy, National Assembly vice chairman; Comrade Hong Ha, chairman of the Vietnamese Parliamentary Friendship Organization; members of the NAERC; and representatives of other national assembly's committees. Comrade Hoang Bich Son, member of the National Assembly Standing Committee and chairman of the NAERC, chaired the conference.

At the conference, the NAERC heard the foreign minister report on preparations to join ASEAN, other reports on budget tasks in 1994 and working plans for

1995, issues regarding foreigners in the draft civil code, and the report on national defense tasks. They also discussed the report on recent NAERC tasks and working plans for the near future, including the National Assembly's preparation to join the ASEAN Inter-Parliamentary Organization.

Nation Backs ASEAN Statement on Spratlys

BK2203162995 Hanoi VNA in English 1434 GMT 22 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 22.—Vietnam fully supports the stance of the ASEAN (Association of Southeast Asian Nations) countries contained in the March 18 joint statement relating to Spratlys.

The ASEAN foreign ministers in their March 18 statement expressed their serious concern over recent developments in the South China Sea, especially in the Mischief Reef belonging to the Spratlys, and urged all claimants to abide by the spirit of their July 1992 Manila declaration, to resolve disputes in the area peacefully and to pose no threat to peace and stability in the region.

In the statement released here today, the spokesperson for the Vietnamese Foreign Ministry notes that the ASEAN countries' stance conforms with Vietnam's unchanged direction and policy which say that Vietnam while reasserting its claim to sovereignty over the Paracel and Spratlys resorts to have all disputes over the sovereignty over these archipelagoes solved through peaceful negotiations.

Vietnam called upon relevant parties not to carry out any acts that could complicate the situation nor threaten or resort to use force.

Deputy Prime Minister Receives PRC Group

BK2303084895 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 20 Mar 95

[FBIS Translated Text] Yesterday, in Hanoi, Deputy Prime Minister Phan Van Khai received the economic cooperation delegation of Hebei Province in China led by Comrade Cheng Wei Kao, member of the Communist Party of China Central Committee and secretary of the provincial party committee and adviser of the provincial people's committee. The delegation is paying a visit to sign economic cooperation projects with Nam Ha Province.

Deputy Prime Minister Phan Van Khai recalled his fine memories of the achievements recorded by the Chinese people in that country's reconstruction and open door undertaking, which he had an opportunity to observe during his visit last year. He hailed the cooperative relations between Hebei and Nam Ha and other provinces or cities of Vietnam.

Nguyen Manh Cam's South Africa Visit Viewed

BK2203160795 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Mar 95

[FBIS Translated Text] At the invitation of the government of the Republic of South Africa, a Vietnamese delegation led by Foreign Minister Nguyen Manh Cam paid an official visit to the country during 15-17 March. Members of the delegation included Deputy Trade Minister Mai Van Dau; Do Ngoc Trung, deputy chairman of the State Commission for Cooperation and Investment; representatives of the Vietnam Chamber of Commerce and Industry; and a number of Vietnamese businessmen.

During the visit, the delegation held talks with Vice President De Klerk, Foreign Minister Alfred Nzo, some members of the South African Parliament, government officials, and representatives of banking and finance sectors as well as many businessmen in the capital city, Cape Town, and the industrial center of Johannesburg.

Representing the government of South Africa, Vice President De Klerk and Foreign Minister Nzo warmly welcomed the first visit of a delegation from Vietnam to discuss the promotion of relations between the two countries, and confirmed that the visit would be a contribution to the opening of a new page in the relations of friendship between the two countries.

At the meetings, apart from giving briefings on the general situations in each other's countries, the two sides focused on exchanging ideas and measures to promote mutual understanding and build up and expand mutually-benefited cooperation between the two countries. On behalf on the delegation, Foreign Minister Nguyen Manh Cam expressed his pleasure at being able to pay his first visit to South Africa since the two countries established diplomatic relations in December 1993. The minister highly commended the efforts of the South African Government and people in the struggle to build a new South Africa of freedom, justice, and national reconciliation, and he believed that the relations between Vietnam and South Africa would develop strongly in all fields.

The South African side hailed the achievements of Vietnam's renovation undertaking and its foreign policy and expressed a willingness to share experience and cooperate with Vietnam in areas in which South Africa has expertise such as construction of infrastructure; mineral exploitation, including exploitation and processing of nonferrous and precious metals; and the production of processing machinery for agricultural products. South Africa also paid attention to Vietnam's exports such as rice, tea, coffee, and ready-made clothing. Vietnam is a new market to South Africa. Many companies and corporations have wanted to study opportunities for investment in Vietnam. The two sides agreed to exchange trade and economic delegations to learn more about each other's markets, products, and cooperation projects. The two sides also agreed to set up a joint inter-government committee for cooperation on economics, trade, science, and technology and to prepare the signing of relevant agreements that will lay a legal foundation for the longterm cooperation between Vietnam and the Republic of South Africa.

Pham Tuan Tu, our ambassador to South Africa, also participated in the delegation's activities.

Vo Van Kiet Discusses Plenum Resolution

BK2103163295 Hanoi VNA in English 1517 GMT 21 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 21—The resolution of the 8th plenum of the party Central Committee on 'Building and Perfecting the State With Administrative Reform as the Most Important Point' is being implemented at various levels, branches and localities. In an interview to the national daily NHAN DAN, the prime minister said:

"The 8th resolution of the party Central Committee put forward five closely-related tasks to continue building and perfecting the state of law of Vietnam: first, renovating the organization and operation of the National Assembly. Second, step by step reforming the state administration. Third, renovating the organization and operation of justice organs. Fourth, bringing into full play the people's mastership of the people. Fifth, to renovating and increasing the party leadership to the state.

"Among the five tasks, Mr. [Vo Van] Kiet stressed, to reform the state administration is the most important point including three closely related components: institution of the administration organizational structure and operating mechanism of the administrative apparatus at various levels and a contingent of public employees executing the administrative work. The three components should be simultaneously renovated in order to meet the demand according to the state management functions and tasks in the new situation, although there may be different approaches."

He admitted that beside its important contribution to the renovation process in recent years, there are still many weak points in the state administration that need renovating and reorganizing for building a sound administration capable of implementing the state management task in line with the new mechanism, meeting the demand of the New development period.

On measures to overcome negative phenomena which still exist in the present state administration including cumbersome mechanism, neglecting the state order and disciplines, bribery, and smuggling, the prime minister said that "dealing with those phenomena is an uphill and complicated task, a great challenge to the management role and effectiveness of the state in socialist oriented market economy."

He pointed to the necessary [as received] to attach the administrative reform to the reorganization of the party and renovation of the political system to build a democratic administration to serve the people's interest and maintain the social order and disciplines according to law to effectively serve and strongly promote the renovation process and national development in the direction of national industrialization...

On the urgent things in the administrative reform and in 1995, Mr. Kiet said that administrative procedures reform will be implemented this year with a view to reducing troubles to the people and businessmen in seven areas: budget distribution and investment capital allocation, allocation of land, construction permit granting, export and import, foreign investment establishment of enterprise and business registration, exit and entry visa, and solving people's petitions.

Major 1995 Investment Projects Reviewed

BK2203152895 Ho Chi Minh City THOI BAO KINH TE SAIGON in Vietnamese 16-22 Feb 95 pp 11-12

[Report by Tan Duc: "1995 and Projects Valued at $100 Million or More"]

[FBIS Translated Text] The plan to build an oil refinery plant and an industrial corridor at Dung Quat in Quang Ngai Province is probably the most important foreign investment project of 1995 because it involves an estimated $1.1 billion. More than 10 foreign companies and financial groups have registered for the construction of the project following the government's decision to select Dung Quat as the site for Vietnam's first oil refinery.

Active preparations are also being made for a number of other major oil and gas projects. First of all, we must mention a project that involves the use of Vung Tau offshore gas and is about to enter the second phase. The first phase involves the installation of a pipeline from the Bach Ho oil field to the Ba Ria turbine station by the Hyundai Group (ROK) and is near completion. The second phase involves the construction of a compressor station at Bach Ho, the installation of a pipeline system to move gas from the coast to Ho Chi Minh City, and the building of a gas liquefaction plant. The feasibility study of the project was conducted by Petro Vietnam in conjunction with British Gas (Great Britain), Mitsui (Japan), and Trans Canada Pipelines (Canada). The feasibility study was completed and submitted to the Government for approval. The total investment capital for the second phase of the project is estimated at $400 million.

A number of American, Italian, and Australian companies now plan to invest in the production of nitrogeous fertilizer. Noteworthy is a project by BHP-Australia. This conglomerate submitted to the Vietnamese Government a combined project involving as much as $810 million to build a plant to produce nitrogeous fertilizer from gas with a capacity of 550,000 tons per year and a thermoelectric power plant to supply electricity chiefly to the nitrogenous fertilizer plant. Each year, Vietnam has to import as much as 1.5 million tons of nitrogenous fertilizer. Therefore, the Vietnamese Government has attached special attention to investment in the production of nitrogenous fertilizer from gas to meet local demands. Another fertilizer production project involves Vietnam Fertilizer and Chemical General Corporation VN-Ferchemco and All Ocean International of the United States. The two companies have just announced the results of a feasibility study for a plan to build two

DAP [expansion unknown] fertilizer plants in Quang Ninh and Dong Nai with a total capacity of 450,000 tons per year. Mr. Thomas C. Snyder, president of All Ocean International disclosed that the two companies had completed procedures for applying for an investment permit. No announcement on the total investment capital of this project has been made yet.

Besides oil and gas, many major investment projects involving other areas of industry will emerge this year. Most of these projects are awaiting official licenses and the plan to build a cement plant in Nghi Son constitutes the largest joint investment venture. The plant is designed to have a capacity of 2.3 million tons per year and needs a total investment capital of $347 million. The joint venture contract was officially signed on 20 January 1995 between the Vietnam Cement General Corporation and Mitsubishi Materials of Japan.

Another investment project involves a joint venture between the Mobile Phone Company under the Postal General Department and two Swedish companies, namely Industriforvaltings AB Kimevik and Comvik International Vietnam AB. The objective of the project is to develop the mobile phone network in Vietnam. The project was submitted to the SCCI [State Committee for Cooperation and Investment] for licensing. Under the project, the Vietnamese and Swedish partners will invest $340 million to install and exploit a mobile phone and paging system and to build three main relay stations in Ho Chi Minh City, Hanoi, and Da Nang with a capacity of 60,000 lines in 1995.

In late 1994, Toyota Motor Company announced that it would invest $150 million in a car assembly plant in Vinh Phu Province. To date, Toyota has completed the feasibility study of a car and bus assembly project. Speaking of car assembly, one must also mention a joint venture between Mercedes with Samco Company and the 1 May Car Plant, which involves an investment capital of $70 million. The only obstacle standing in the way of implementation of this project is a license from SCCI. This means that Vietnam will be able to assemble Mercedes cars, buses, and trucks in the near future. Besides, Chrysler Motor Company is planning to coordinate with Vietnamese motor companies in building a car assembly plant in Dong Nai Province. Mr. Robert Eaton, managing director of Chrysler, has submitted the aforementioned project to the prime minister of the Government. According to unofficial sources, this project will be implemented in phases and will involve a total investment of $50-200 million. We have learned that Chrysler conducted a feasibility study two years before the lifting of the U.S. trade embargo.

A major industrial complex will be set up this year in Hai Phong as a result of a joint venture between Hai Phong City and Japan's Nomura Stock Company with a total investment capital of $120 million. It is hoped that the project will be approved by SCCI within the next few months. Regarding the production of electrical appliances and electronic equipment, South Korea's Samsung group of companies has signed with Vietnam's Electrical Appliances and Electronic Equipment Import-Export Company a joint venture contract valued at $78.5 million to build a plant in Thu Duc, Ho Chi Minh City, to manufacture color television sets, refrigerators, air conditioners, washers, etc. This will be the biggest joint venture ever set up in Vietnam to produce electrical appliances and electronic equipment. Recently, a representative of Japan's Kyoei Company said that the company would invest $120 million to build a steel rolling mill at the Lien Chieu-Da Nang industrial complex. It is very likely that if the Japanese side completes the feasibility study at an early date, the project will start this year.

Tourist resort, hotel, and office building continue to be the most attractive investment areas. Six major projects involving a total investment capital of $1.9164 billion are awaiting the Government's approval or licenses from SCCI. The project that involves the largest investment capital among them is known as the 23 September Park which consists of a complex of park, hotel, office building, and a 38-storey tower in the heart of Ho Chi Minh City. This is a joint investment venture of $524 million between Taiwan's Jin Wen Company and the Urban Development Service Company, the Ho Chi Minh City Park Company, and the Ben Thanh Tourist Company. The joint venture contract was signed in late 1994 and the procedures for applying for an investment license were also completed. Along with the plan to build the 23 September Park in Ho Chi Minh City, a project was worked out to build a tourist and hotel resort at Tu Lien Village in Tu Liem District. The project requires an investment capital of $400 million and was signed a month ago between the Vietnam Trade Union Tourist Company and Japan's Hanoi New Urban Centre Company. Under the project, two four-star hotels with 800 rooms, two 15-storey high-rise buildings with 600 rooms for rent, and a recreational area will be built on 10 hectares of land in Tu Liem District. Furthermore, the Hanoi Municipal People's Committee presented to the prime minister of the Government for review and approval a project to build the Thang Long International Village which features 27 16- storey houses for rent, a 28-storey high-rise building, a four-star hotel, and 53 villas. The estimated capital for the project is $185 million.

Three other tourist resort projects will be built in Da Lat, Lam Dong; Da Nang; and Vung Tau. A project valued at $300 million to build the Dankia International Tourist Center in Da Lat was signed recently between the Lam Dong Province People's Committee and the Singaporean minister of trade. Under the project, which starts in 1995, the Dankia (Suoi Vang) area will be developed into a new Da Lat City.

Regarding the Non Nuoc holiday and hotel resort joint venture between the Non Nuoc Tourist Company in Quang Nam-Da Nang Province and BBI Investment Group Chartered, the application for an investment license has already been filed with SCCI. Once the investment license is granted, the partners will spend $243.4 million to build the Non Nuoc area into a major holiday and tourist resort.

Recently, Mr. Le Van Dy, chairman of the Ba Ria-Vung Tau Province people's committee, announced that the project to build the Cua Lap tourist resort in Vung Tau with an investment capital of $264 million had been approved by the Government. Mr. Dy also disclosed that the implementation of the project would be handled by the Hon Ngoc Vien Dong Partnership Tourist Company at an early date.

On 14 December 1994, Mr. Nguyen Thanh Dan, director of the Thua Thien-Hue Province Tourist Company, and Mr. Gerard Peim, director of France's Gerard Peim Company, signed an agreement to invest $270 million in a project to develop the Thuan An tourist resort. Because the two sides still did not go beyond the limit of an initial agreement, it could be difficult for the project to be completed this year.

Australia

Cambodian Amnesty for KR General Revealed

LD2103180595 Melbourne Radio Australia in English 1700 GMT 21 Mar 95

[FBIS Transcribed Text] Australia's Foreign Minister Gareth Evans has described the Cambodian Government amnesty for the Khmer Rouge general Tuk Rin as unpalatable and hard to swallow. Senator Evans said it would never be possible to establish what General Rin knew about the murder of the Australian tourist David Wilson in Cambodia last year.

The foreign minister's comment is contained in a letter written to the Wilson family which has been made public by the parliamentary opposition. Senator Evans said General Rin had admitted abducting David Wilson after attacking a train. He said it would be misleading to expect any legal action against General Rin. However, his letter said it was the Khmer Rouge commander, Paet, who was responsible for the murder of David Wilson. Senator Evans said any attempt to grant Pait an amnesty would be unacceptable to Australia, and would have grave consequences for the bilateral relationship. The foreign minister said Cambodia was clearly aware that Australia wanted it to arrest Pait and put him on trial.

New Intelligence IG, Defense Chief Named

BK2203043595 Melbourne Radio Australia in English 0100 GMT 22 Mar 95

[FBIS Transcribed Text] A senior federal public servant, Ron McLeod, is to become Australia's next inspector general [IG] of intelligence and security. Mr McLeod, a deputy secretary of the Defense Department, replaces Roger Holdich, who is resigning from the key intelligence post six months early in order to give Mr. McLeod more time to settle in.

The inspector general has the job of overseeing Australia's security and intelligence agencies, ensuring they act legally and with propriety. The prime minister, Paul Keating, said Mr. Holdich, who has held the job since 1989, has helped to strengthen accountability standards in Australia's intelligence community.

One of Mr. McCleod's first challenges as inspector general will be responding to the commission of inquiry that has been investigating the operations of Australia's overseas intelligence service, ASIS [Australian Security Intelligence Service].

Meanwhile, changes are looming among Australia's Defense Force heads following the forthcoming retirement of two of the most senior defense chiefs. Admiral Allen Beaumont steps down as chief of the Defense Force in July. He will be replaced by the vice chief of defense, Lieutenant General John Baker.

Australia's defense minister, Robert Ray, has paid tribute to Admiral Beaumont and has referred to Lt. Gen. Baker's wide range of experience in operations, logistics, and defense intelligence. Elsewhere, the former commander of the recent United Nations operation in Cambodia, Lt. Gen. John Sanderson, has been promoted to chief of the general staff. He will replace Lt. Gen. John Grey, who also leaves his post in July.

New Zealand

Prime Minister Leaves for U.S. 'Working Visit'

BK2203050095 Hong Kong AFP in English 0210 GMT 22 Mar 95

[FBIS Transcribed Text] WELLINGTON, March 22 (AFP)—Prime Minister Jim Bolger left New Zealand Wednesday en route to a Washington meeting with President Bill Clinton, the first time in 11 years a New Zealand premier has been allowed into the White House.

The last time a New Zealand prime minister visited the White House was in February 1984 when Sir Robert Muldoon met then President Ronald Reagan.

Soon afterwards new Prime Minister David Lange banned a US ship from entering a port here and later passed anti-nuclear laws which outraged Washington, leading to a cut in military ties and an end to top level access.

Tensions have long since subsided and Bolger has twice met and talked with Clinton at APEC summits but when he meets the president Monday Washington time for a "working visit" it will signal a nearly complete end to the nuclear standoff. The US military still refuses to have any ties with the New Zealand military.

Bolger will spend 10 days in the US, with a schedule that includes a visit to New Zealand camp at America's Cup yacht racing in San Diego and an outing to an ice hockey march in Chicago.

Bolger is likely to stress New Zealand's willingness to participate internationally, highlighted by its term on the UN security council and its commitment to regional security.

Bolger said the trip "first and foremost" would confirm a return to normal political relations between the two countries.

Defence will be a peripheral item.

"We know our areas of disagreement well. We are not going to litigate that at any length in Washington at all...there's no purpose in going further," he said in an interview.

Bolger made it clear it was up to the US to return New Zealand to military favour.

"We work alongside the US in the peacekeeping area...so the interface there between the New Zealand and US forces is a very comfortable one.

"In terms of joint exercises in the future, that's an issue that can only be resolved following discussions between the parties over a period," Bolger said.

"Obviously we're prepared to engage in joint operations with the Australians and others with the US involved but the decision as to whether or not that is acceptable to the US is for the US alone," Bolger said.

Bolger expects to spend a substantial part of his meeting with Clinton discussing trade issues, including a proposed Asia Pacific free trade area, trade liberalisation and the new World Trade Organisation which will oversee the implementation of the General Agreement on Tariffs and Trade.

Bolger will meet top officials in the Clinton Democrat administration, including state secretary Warren Christopher, defence secretary William Perry and joint chiefs of staff chairman General John Shalikashvili.

He will meet with house of representatives speaker Newt Gingrich, the senate foreign relations committee and the house international relations committee.

Republican senator Richard Lugar, chairman of the senate agriculture committee and a declared presidential candidate, will spend an hour with Bolger.

Bolger is also swinging down to Texas to meet major Republican players, including former president George Bush and former state secretary James Baker.

Bolger has scored an invitation to deliver a keynote address on free trade at a Pacific Basin economic conference in Washington and will also give speeches on the New Zealand economy.

"There will be a considerable degree of interest in New Zealand economic reform," Bolger said.

"Very few countries are not only running budget surpluses but are projecting those budget surpluses to grow strongly over the next few years and be in a position then to pay off substantial debts and put a stronger base on the New Zealand economy.

"That means we are an attractive destination for investment," Bolger said.

Comments on Nuclear Policy

LD2203104395 Wellington Radio New Zealand International in English 0800 GMT 22 Mar 95

[FBIS Transcribed Text] Just hours before the prime minister wings his way to the United States, questions are being asked about the lack of agenda for the meeting with President Clinton. In parliament Labor has criticized Jim Bolger's comments that he has no specific agenda for the meeting. Labour's Helen Clark has questioned why the meeting isn't being used to specifically explain our nuclear-free policy and the position on dumping of products. The prime minister responded in parliament:

[Begin Bolger recording] I think the United States Administration, both this and the previous one, are very well briefed and informed on New Zealand's security stance in relation to things nuclear. (?As) they've had a whole 11 years to reflect on it, I cannot believe that the honorable member seriously suggests that the United States Administration from the president down are not aware of our position. [end recording]

The prime minister left this afternoon for the United States and meets with Bill Clinton next week.

Seeks To Heal 'Rift'

LD2103194695 Melbourne Radio Australia in English 1900 GMT 21 Mar 95

[FBIS Transcribed Text] New Zealand's prime minister, Jim Bolger, has indicated that he will try to set aside disagreements on nuclear policy with the United States when he meets President Bill Clinton next week. Mr. Bolger said the two sides should acknowledge their differences and focus on new areas as they patch up a decade-long rift.

When he meets Mr. Clinton on Monday Mr. Bolger will become the first New Zealand prime minister to visit the White House since President Ronald Reagan greeted Sir Robert Muldoon in 1984. The Labour Party government of David Lange which took power in New Zealand later that year angered Washington by pushing through antinuclear legislation which effectively made it impossible for American warships to visit the country's ports. The penalty was New Zealand's suspension from the ANZUS defence pact with the United States and Australia and exclusion from top level diplomatic contacts with Washington.

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